



Local Government Brief, January 2015

Local Government Briefs are monthly electronic updates for municipalities on critical areas of law, policy, facts and data affecting the sector.

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Introduction

The Municipal Barometer is a web-based portal that is aimed at collecting and packaging local level data including ward level data to municipalities. It is envisaged that municipalities will use the data for planning, oversight and benchmarking. SALGA analyses the data periodically and disseminates it in the form of briefs and other publications. This Brief, looks at the socio-economic performance of the Nkangala District Municipality together with its local municipalities.

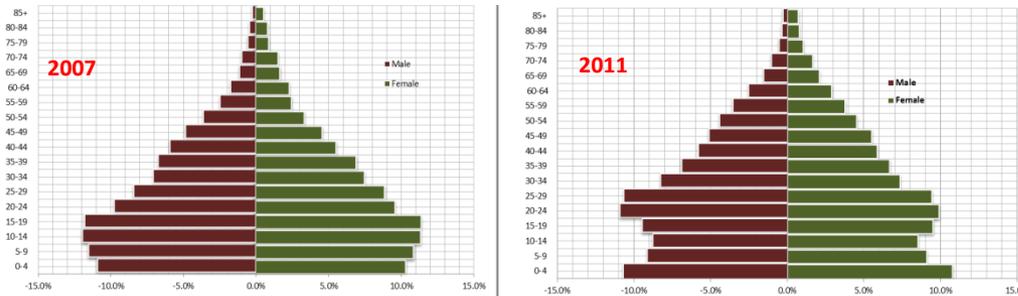
Summary of the District



- **Nkangala is a District Municipality in the Mpumalanga Province**
- **District has 6 local municipalities:**
 - Dr. JS Moroka,
 - Emakhaseni,
 - Emalahleni, S
 - Steve Tshwete (Middleburg),
 - Thembisile Hani
 - Victor Khanye (Delmas).
- **Land area coverage:** 16,7581,844 km²
- **Total population:** 1,308,129
- **Total households:** 245,429
- **HIV Prevalence:** 32.1% (2012) ; 32.1% (2011)
- **Access to water at / above RDP level:** 88.6%
- **Access to Electricity:** 85.7%
- **Access to sanitation at or above RDP level:** 61.5%
- **Access to refuse removal services:** 49.7%
- **GDP:** R81.2 bn
- **GDP growth:** 7.3%
- **Households with income :** 670,569 (51.3%)
- **Households with no income :** 540,415 (41.5%)
- **No Schooling:** 11.5%
- **Matric:** 30.2%
- **Higher Education:** 9.4%
- **Labour Force:** 605,220
- **Employment :** 452,971
- **Unemployment:** 152,249
- **Unemployment rate:** 25.0% (2012) ; 25.2% (2011)
- **Youth unemployment rate:** 44.6%
- **Labour Absorption rate:** 34.6%
- **Labour Participation rate:** 46.3%

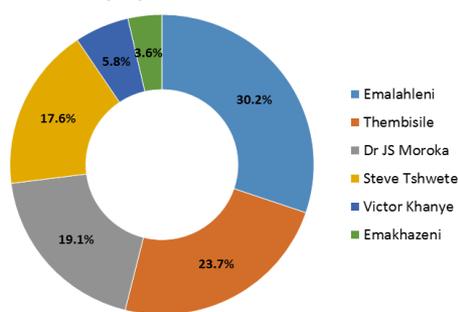
Population and Household Dynamics

POPULATION (1,308,130)



• In 2007, the population of the District reflected a typical age structure of a relatively young population distribution ~ 70% those between 0-34 years. By 2011, the structure changed with the school age 5-19 years children declining drastically. This could be as a result of one of these consequence of HIV related deaths, decisions to have smaller families, lack of national primary health interventions, child vaccination and other drugs that prevent mother to child HIV transmission. Economically active youth aged 20-39 account for the largest share of the population. The departments of health and basic education should promote partnerships with other government departments and civic organisations that propagate positive lifestyle choices to mitigate the spread of HIV.

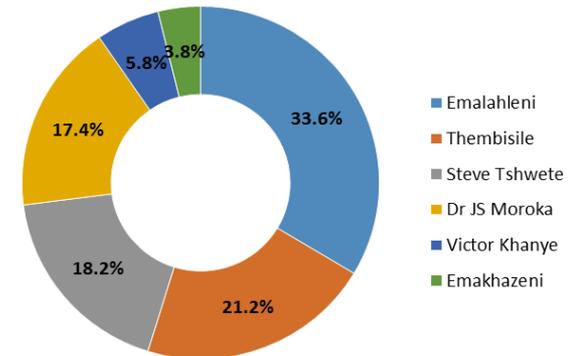
% share of District population



• Of the total population in the District, Emalahleni has the highest proportion of people living in the municipality followed by Thembisile. Dr JS Moroka and Steve Tshwete have a significant share as well to the District population. Emakhazeni however is the smallest municipality with only 3.6% share of the District's population.

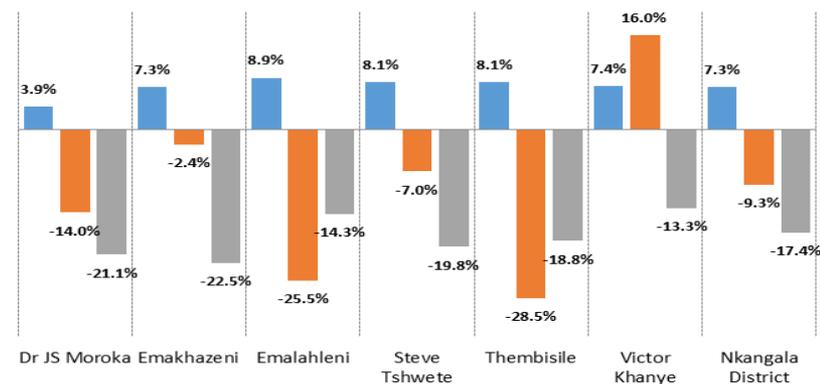
HOUSEHOLDS (245,429 - avg hh size 3.7)

% share of District households



• Emalahleni accounts for over 33% of the total households in the District. This is expected as it correlates with the population numbers of the municipality. Emakhazeni is the smallest local municipality with the smallest number of households accounting only 3.8% of the total households in the District.

Formal 1996-2011 Informal 1996-2011 Traditional 1996-2011



• Over 83% of households live in formal dwellings in the District and significant improvements have been achieved in the eradication of informal and traditional dwelling over the past 15 years

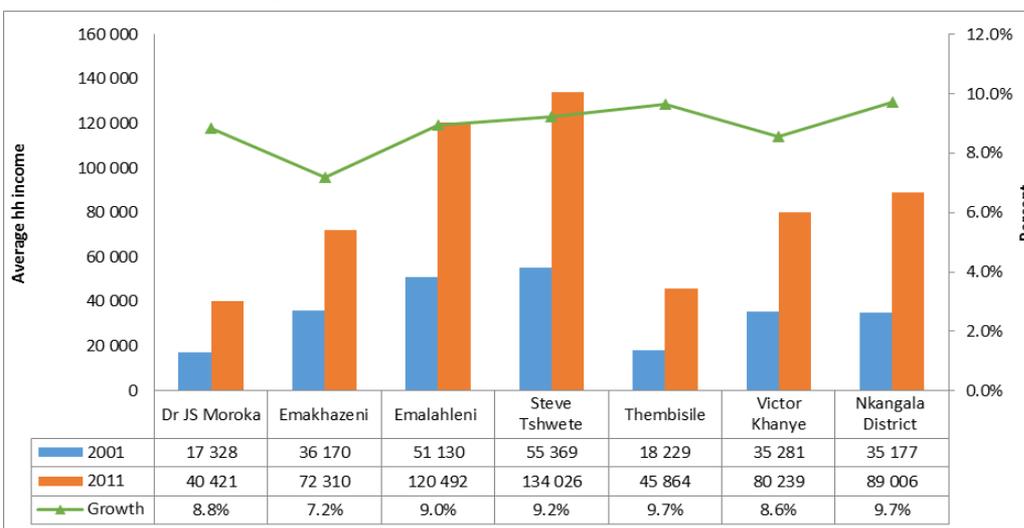
Household & Personal Income

Individual monthly income, 2011

Income level	Dr JS Moroka	Emakhazeni	Emalahleni	Steve Tshwete	Thembisile	Victor Khanye	Nkangala District
No income	45.8%	38.9%	40.8%	36.6%	42.5%	40.3%	41.3%
R 1 - R 400	25.8%	12.3%	11.9%	9.2%	27.4%	16.8%	18.1%
R 401 - R 800	2.7%	3.3%	2.8%	2.3%	2.9%	3.0%	2.7%
R 801 - R 1 600	14.4%	15.5%	8.3%	8.5%	12.8%	12.8%	11.1%
R 1 601 - R 3 200	3.4%	7.8%	7.7%	7.7%	6.3%	7.2%	6.5%
R 3 201 - R 6 400	2.2%	4.7%	7.1%	7.4%	2.8%	4.8%	5.0%
R 6 401 - R 12 800	1.6%	3.8%	5.8%	6.3%	1.4%	3.4%	3.8%
R 12 801 - R 25 600	0.8%	1.8%	4.5%	4.7%	0.7%	2.1%	2.7%
R 25 601 - R 51 200	0.1%	0.7%	1.7%	1.9%	0.1%	0.7%	1.0%
R 51 201 - R 102 400	0.0%	0.2%	0.4%	0.5%	0.0%	0.2%	0.2%
R 102 401 - R 204 800	0.0%	0.1%	0.1%	0.2%	0.0%	0.1%	0.1%
R 204 801 or more	0.0%	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%
Income Unspecified	45.8%	38.9%	40.8%	36.6%	42.5%	40.3%	41.3%
Total Population	249 705	47 216	395 465	229 834	310 459	75 451	1 308 130
Individuals with income	127 668	23 698	199 543	112 005	168 985	38 670	670 569
	(51.1%)	(50.2%)	(50.5%)	(48.7%)	(54.4%)	(51.3%)	(51.3%)
Individuals with no income	114 395	18 390	161 360	84 088	131 808	30 374	540 415
	(45.8%)	(38.9%)	(40.8%)	(36.6%)	(42.5%)	(40.3%)	(41.3%)

- Of the total income level in the District; about 18% of the population earn an individual monthly income of R400 and less, followed by those earning between R801 and R1600 accounting 11.1% .
- 41.3% have no monthly income in the District.
- Of those with no income, 45.8% are found in Dr JS Moroka. This is largely a result of the existence of the agricultural settlements and the effect of out-migration as people leave the municipality seeking for better employment and living conditions.
- High numbers of unemployed and low earners place a high demand on free basic services.
- Resources that could be used to build and maintain infrastructure are expended in maintaining consumption demands from the indigent and grant dependent community members, slowing the rate of service delivery.

Distribution of average household income by municipality

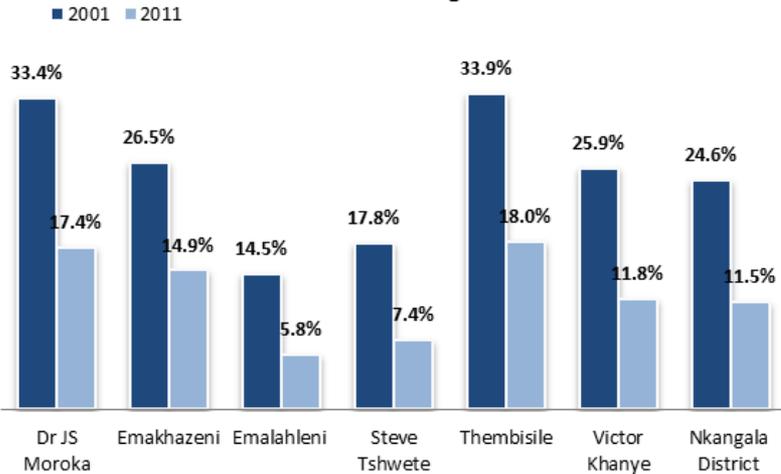


- Average household income in the District grew by 9.7% from R35, 177 in 2001 to R89, 006 in 2011.
- Steve Tshwete together with Emalahleni municipalities take home on average R134,026 and R120, 492 per annum respectively with growth for both municipalities of above 9% in the past decade.
- Thembisile grew by a similar percentage to the District average growth. This is because municipality is coming from a low base compared to the rest of the municipalities.
- High rates of unemployment and grant dependency will require a significant measure of cross subsidisation between relatively wealthier neighbourhoods and relatively poorer neighbourhoods, leading to service deterioration in wealthier neighbourhoods unless grants to local government increase to compensate.

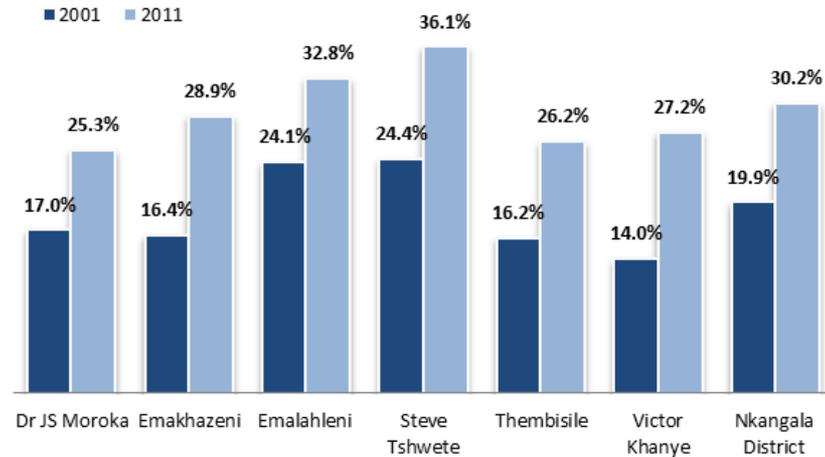
Education

Education status by municipality

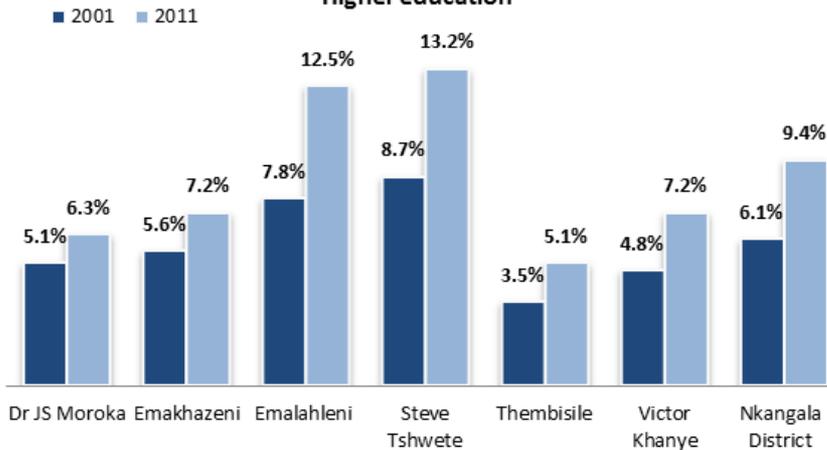
No schooling



Matric



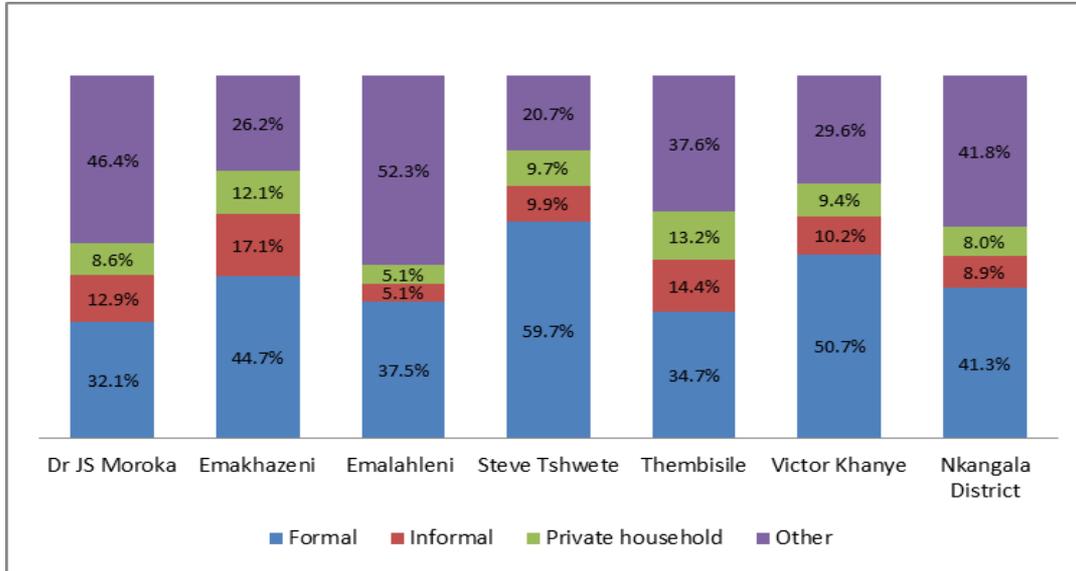
Higher education



- Significant strides have been achieved in the education sector as those with no schooling have gone down dramatically over the past decade in all the municipalities.
- Those with matric have increased between the two periods with 36.1% of the population with matric found in Steve Tshwete.
- The highest proportion of people with higher education are found in Emalahleni and Steve Tshwete municipalities.
- Opportunities for employment or training for employability are higher for those who have completed their secondary schooling than for those who have not.
- As education levels rise and more people get skilled, the potential of the economy to develop increases. This holds potential to attract investment to municipal areas which would create a demand for more infrastructure and better revenue collection practices with which to fund infrastructure demands.

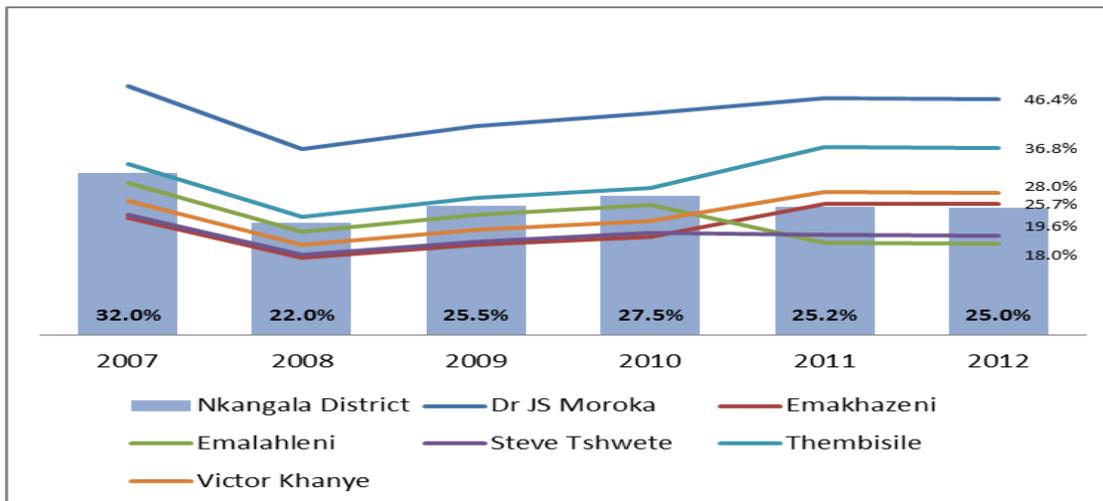
Labour Market

Sector employment by municipality



- Over 40% of those employed in the District are employed in the formal sector.
- Steve Tshwete has a population close to 60% employed in the formal sector an indication of the municipalities active labour market largely driven by mining activity.
- The high rates of formal employment indicate a potential for communities to pay for services, increasing the likelihood that services will be sustainable.
- The other category includes mainly those employed in the agriculture sector. High rates of agricultural employment indicate a high cost of service delivery due to the spatial dispersal of rural populations.

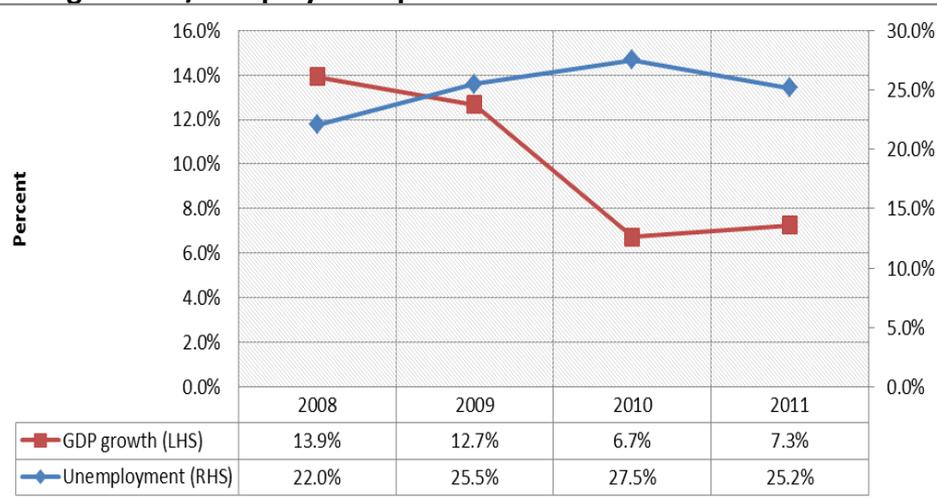
Unemployment rate by municipality



- The unemployment rate in the District in 2012 was 25.0% in 2012, a slight improvement from 25.2% in 2011.
- The municipality with the highest unemployment rate is Dr JS Moroka with 46.4%. The unemployment rate for Thembisile has been increasing since 2008 to reach 36.8% in 2012. This resulted into the municipality having the second highest unemployment rate in the District.
- Poverty concentration exists in these two municipalities. This is largely influenced by their geographic location and that these municipalities are characterised by existence of a large rural component, agricultural settlements and very narrow economic base.
- These municipalities are heavily reliant on grants and transfers which has an impact on their sustainability.
- Emalahleni's unemployment rate over the years has been declining and this could be attributed to the fact that the municipality is predominantly an industrial zone originally known for coal mining. It is important that municipalities in mining areas encourage economic diversification to mitigate the decline in revenue brought about through the downscaling of mining activities as the mines near the end of their lifespans.

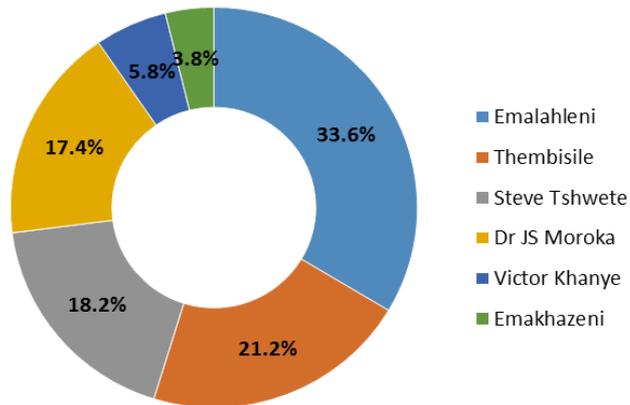
Economic Performance

GDP growth v/s employment performance



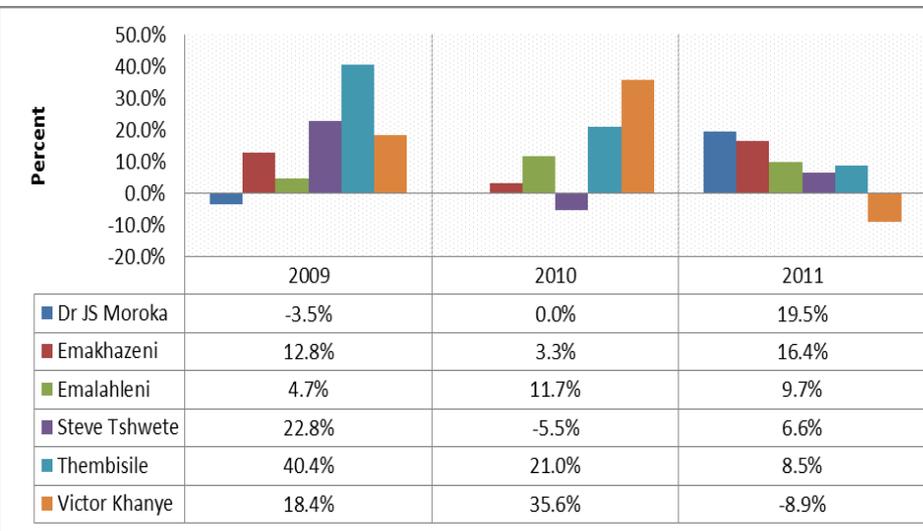
- GDP growth in the District has been on the rise marginally over the years. In response to the growing economic activity in the District, unemployment rate on the other hand recorded declining trends.
- Dr JS Moroka and Emakhazeni which are the smaller municipalities in 2011 registered significant GDP growth rates while the remaining municipalities registered declines.
- The impact of the financial global crisis on the mining sector is evident as declines were experienced by each local municipality. Victor Khanye municipality was hardest hit by the global crisis as it was the only municipality with a negative growth in the District in 2009.

% share of GDP by municipality



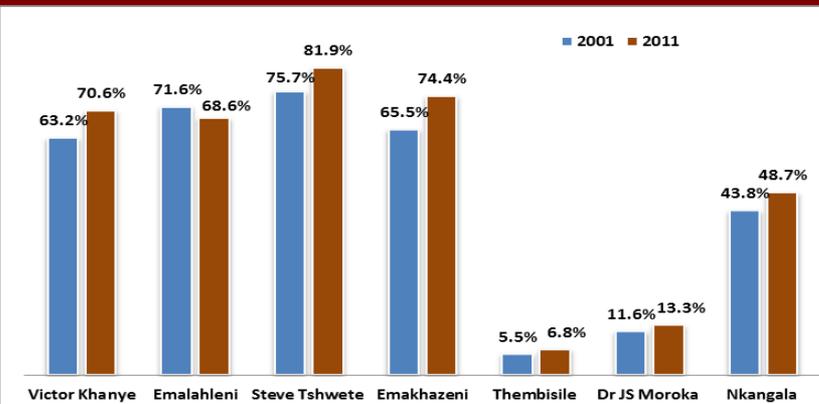
- Emalahleni accounts for the largest share of the District's GDP with almost 50% followed by Steve Tshwete with 33%. These two municipalities were hardest hit by the global financial crisis
- The rest of the municipalities account for a cumulative 17.5% with Thembisile and Dr JS Moroka with the least share.

GDP growth per municipality

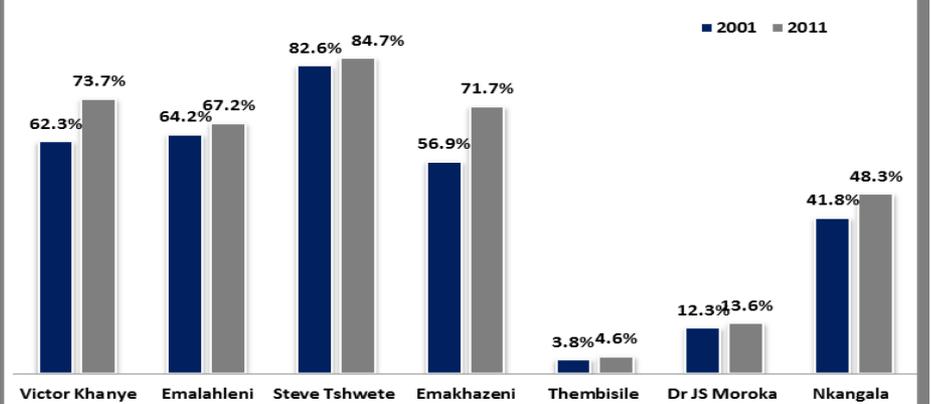


Household Access to Services

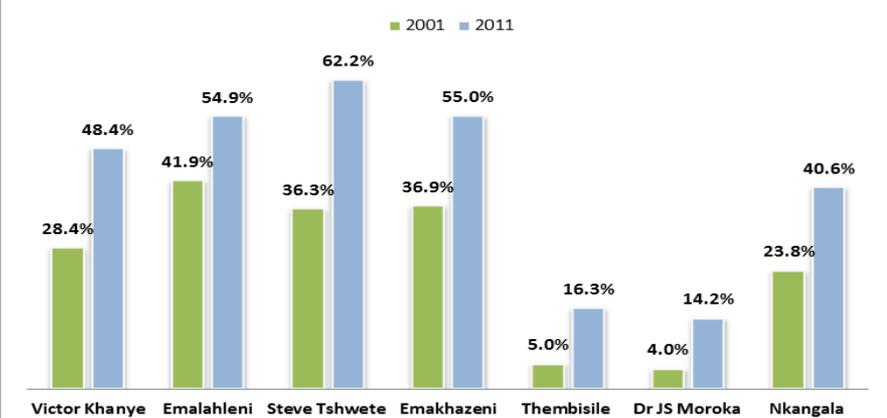
FLUSH TOILET CONNECT TO SEWERAGE %



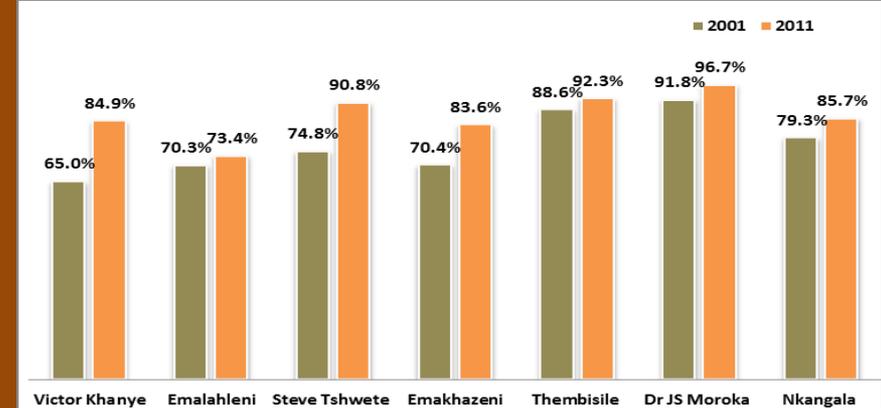
WEEKLY REFUSE REMOVAL %



PIPED WATER INSIDE DWELLING %



ELECTRICITY FOR LIGHTING %



- Significant improvements have been experienced in the delivery of the four basic services in the District.
- Victor Khanye, Emalahleni, Steve Tshwete and Emakhazeni local municipalities have consistently been in the lead in the delivery levels of the three basic services except for access to electricity for lighting. These municipalities have been providing access much faster than the District itself. However with respect to electricity, all the municipalities including the District have households with access to electricity at levels between 73% and 97% an indication of large parts of the District and its municipalities electrified.
- With this backdrop, the District together with Thembisile and Dr JS Moroka municipalities need to improve in the delivery of sanitation, refuse removal and the delivery of water inside the yard as these municipalities are coming off from a very low base of households with access to those services.