

Chapter 5

POVERTY INFORMATION

5.1 Introduction

The aim of this chapter is to provide an overview of human settlement; poverty and poverty related information in South Africa. It first focuses on South Africa, and then focuses on the study area, the Eastern Cape, KwaZulu Natal and the Northern Province. Although the data are available at district level the study did not utilise it at that level in this chapter. Descriptions cover the demographics of a province; income poverty and human development; access to social and economic services, and labour force and employment conditions. A composite indicator of needs is included to facilitate identification of the poorest districts. Any review of poverty in South Africa has to take cognisance of the multifaceted nature of poverty, the socio-economic conditions that support it and the processes that perpetuate it. At a national level, data to support such an analysis are available from several sources. However, an understanding of local level poverty across different provinces is constrained by a lack of disaggregated and comparable information at the district level. Given the lack of appropriate data, descriptions in this chapter are essentially static.

Table 5.1: Population of South Africa by Province

South Africa	Eastern Cape	Free State	Gauteng	KZN/Natal	Mpuma langa	Northern Cape	Northern Province	North West	Western Cape
40583573	6302525	2633504	7348423	8417 021	2800711	840321	4929368	3354 825	3956 875

Source: Census '96, 1998

5.2 Poverty in South Africa

The World Bank and the United Nations Development Programme (UNDP) classify South Africa as a middle income developing country. However, the quality of life of its population compares unfavourably with conditions in other middle income countries in terms of general social indicators like life expectancy, literacy and infant

mortality. In addition, these indicators conceal wide disparities between different socio economic groups, due to a particularly skewed distribution of income and the legacy of apartheid policies. As a result of these policies, the poor in South Africa are predominantly Black South Africans. Many poor households are female-headed, and about 45% of the poor people are children. Poor communities are concentrated in rural areas, and approximately two-thirds of the poor live in the Eastern Cape, KwaZulu Natal and Northern Province. Not surprisingly, all these provinces contain large former homelands, where about 70% of the poor are located.

In addition to living primarily in the former homelands, the poor also have other characteristics in common. Poverty in South Africa is associated with feelings of alienation, family fragmentation due to employment-related migration, food insecurity, overcrowding, inadequate access to energy, and inadequate access to adequately paid and secure employment opportunities. Access to land is also limited among the poor – only one third of rural households engage in agricultural production, whether to be sold or consumed, and earn on average only R90 a month from this activity. Analysis of the PSLD⁵ data indicates that the poorest 20% of households spend less than R120 a month per adult equivalent [see Table 5.2]. Of this amount, nearly 60% is spent on food. More than half the labour force is unemployed, and nearly half the households depend on remittances and pensions as a primary source of income. The poorest 20% of households are mainly rural and Black and nearly half of these are headed by women. Over four-fifths have no modern facilities, and about the same fraction of household heads have less than a primary level education (i.e. seven years). Almost 40% children are stunted. Nearly three-quarters of these households expressed dissatisfaction with their living situation, and over half named the provision of jobs as the preferred way in which the Government could improve their lives. Poverty also has a seasonal pattern, and vulnerable households are often at greater risk in the winter months and early spring. During this period they have little home-produced food, the demand for casual labour is lower, and subsistence farmers who have to invest in crops, require a considerable

⁵ 1993 Project for Statistics on Living Standards and Development survey. Most of the poverty statistics in South Africa are based on this survey.

investment of time (May, 1996). Households combine several income producing activities to generate an adequate livelihood and attempt to deal with external shocks such as the death of a household member, illness, drought or sudden unemployment. Based on the PSLD data, May *et al.*, (1995) classified rural households according to the different livelihood strategies they employed to survive. About 4% of rural households are classified as marginalised, having no access to regular wages, remittances or social pensions and transfers. They earn on average only R70 a month. A second group is classified as welfare dependent, and only has access to welfare transfers. This group comprises about 11% of the rural population and earns about R500 per month. Among those who have access to remittances from a migrant(s), some 16% are dependent on irregular remittances of about R370 per month. About 10% receive regular remittances and may receive other transfers as well, adding up to an average income of R530 per month.

About 20% are dependent on wages from unskilled labour and earn about R650 per month, while 14% have access to wages from skilled and semi-skilled labour. At R1 400 their income is considerably higher. Of the groups that combine different income strategies, 16 per cent receive wages from unskilled labour, and earn approximately R720 per month. About 8% receive wages from skilled labour yielding an average of R1 925 per month. Only 1% derives a considerable share of their income from entrepreneurial activity, and their average monthly income is R2 800. Household strategies and the income derived from them are clearly influenced by factors like household structure. In general, female-headed households and households where the male head is absent, receive lower average monthly incomes than households in which the male head is present. For example, among households dependent on wages, a male-headed household earns an average of R1 675 per month while female-headed households earn only R1 377 on average. This pattern holds true for most income strategies. The bulks of landless households are either female-headed or are characterised by an absent male head.

5.2.1 EASTERN CAPE

5.2.1.1 Population

According to the latest statistics from Census 1996, the population of the Eastern Cape is 6 302 525 (6.3 million) [see Table 5.1]. This makes it the largest province in terms of population, after KwaZulu Natal and Gauteng. Between 1985 and 1994, the population of the Eastern Cape increased at an average annual rate of 2,96%. This was marginally higher than the average annual growth rate for the country. The province has over 43% of the population rated as under the age of 15. This is the highest proportion of children in the country and implies that the Eastern Cape has considerable demographic momentum, which is likely to affect population growth rates for a considerable period. These children are usually left with their mothers whereas the fathers are absent as migratory workers. In addition, during the recent past, parents in urban areas often sent children to relatives in rural areas where schooling was relatively uninterrupted.

More than 53,9% of the adult population of the Eastern Cape is female. Most of these women are poor, live in isolated rural areas in the former homelands and have little, if any access to family planning. In many cases, prevailing social values and conditions (e.g. poverty) favour large families. The homeland migrant-labour system is the main historical reason for this state of affairs. In addition, men are generally more mobile than women and are likely to migrate (often on a temporary basis) to neighbouring areas in search of employment. Thus, men outnumber women in provinces, which offered employment in mining, agriculture or industry, such as Gauteng and Free State, while women outnumber men in predominantly rural areas with poor economic prospects.

Compared with the rest of South Africa, the population density in the Eastern Cape is just above average at 41,4 people per km². The level of functional urbanisation is below average at 43,3%. This includes people living in the vicinity of an urban area

who are dependent on that area for an income (semi and peri urban). Most of the urban concentration occurs in and around the Port Elizabeth/Uitenhage area, the greater East London/King Williams Town area, and the Queenstown/Ezibeleni area and, to a lesser extent, the Umtata area. During the 1996 census, the level of functional urbanisation increased by 4,4% per year, compared with the South African average of 3,3%. The only province to record a higher growth in its urban population was the Northern Province, albeit from a small base.

5.2.1.2 Poverty and human development

The level of human development in a country is measured by people's freedom to choose and act upon their choices. To make informed choices, people must first have some basic human capacities, secondly, a reasonable range of opportunities. The HDI proposed by the UNDP uses life expectancy and adult literacy as an indication of people's capacities, while income is used to suggest the opportunities available to them. The HDI of the Eastern Cape is 0,507, (very low which is very poor) which places it in the company of countries, like Cameroon. The only province with a lower ranking is the Northern Province. The level of income poverty mirrors low human development in the Eastern Cape. The Bureau of Market Research estimates the annual personal per capita income for 1994 to be R3 985, which is far lower than the average of R8 148 for the whole country. The Project Living Standard and Development (PSLD) data base estimates the average per capita income for the country at R7 062, while that for the Eastern Cape is only R2 852, the second lowest income. According to the latter survey, there are over 710 000 poor households, or 4,1 million poor people in the Eastern Cape. This implies that nearly 57% of households and 64% of individuals in the Eastern Cape live in poverty. Approximately 2,2 million of these poor people are children. Poverty is, again, far higher in the former homelands, especially the Transkei. Pockets of poverty are also evident in the commercial farming areas, due to the poor employment conditions of commercial farm workers.

Table 5. 2: Characteristics of the poorest 20 per cent of households in South Africa, 1993

1. Expenditure	
Monthly adult equivalent (R)	118,9
Percentage of expenditure on food	59,0
Percentage of expenditure on maize	16,9
2. Employment and income source	
Unemployment rate (%)	53,4
Percentage of working age adults working	22,9
Percentage of households relying on pensions and remittances source of income	47,1
3. Race, location, household structure	
Percentage living in rural areas	80,7
Percentage living in Eastern Cape and Northern Province	52,0
Percentage living in KwaZulu Natal, Free State, North West and Mpumalanga	41,4
Percentage living in Northern Cape, Western Cape and Gauteng	6,6
Percentage Black	97,1
Average household size (number of people)	6,5
Percentage of female-headed households	48,4
4. Housing and access to services	
Percentage living in shacks or traditional dwellings	22,6
Percentage without access to electricity	84,9
Percentage without piped water to household	81,5
Percentage without modern sanitation	88,7
5. Education and health	
Percentage of household heads with no education	46,2
Percentage of household with less than primary education	31,9
Percentage of children below five who are chronically malnourished	37,5
6. Levels of satisfaction and priorities	
Percentage of households who are dissatisfied or very dissatisfied	74,1
Percentage who named job as a priority	57,8
Percentage who named piped water as a priority	44,2
Percentage who named food aid as a priority	34,3
Percentage who named housing as a priority	32,1

Source: RDP office, 1995

In 1994, at R2 626 per year in real terms, the per capita Geographic Gross Product (GGP) of the Eastern Cape was well below the South African average of R5 745. At only R24 770, the GGP per worker is also substantially lower than the national average of R32 161. When these figures are shown, it is interesting to compare the high per capita GGP levels of the extensive commercial farming areas with the high poverty gap figures in the same areas. This highlights the fact that the benefits from

farming are not flowing to the workers. Again, the former homeland areas show predictably low production figures per person, with the exception of the Umtata and Butterworth service centers.

5.2.1.3 Access to social and economic services

Access to social services and economic services enable people to participate fully in the economy and in the community. This is particularly obvious in a rural context. Services such as water and energy enable rural people to spend more time in remunerative work, while communication services establishes a vital link between rural people and their urban families. In urban areas most services are within reasonable distances. However, people in rural areas often have difficulty accessing social services, while commercial services are even scarcer. Commercial services such as markets depend on an entrepreneur's ability to make profits. This is in turn influenced by the size of the target population as well as the availability of service infrastructure such as roads and communication networks. The dividing line between social and economic services has become blurred over time and no attempt is made to specify which services should be rendered by the state or by the private sector. The services discussed in this section are communication, energy, health, housing, transport, water and sanitation and welfare or social security.

5.2.1.4 Employment structure

Some provincial economies have a clear primary-sector focus, while others are more secondary or service oriented. Location quotients are one way of measuring the orientation of the economy. They show whether a certain sector is of above-average importance in a province compared with the country as a whole. As a result, they are also interpreted as a rough indication of the comparative advantage of an economy. A province's location quotient will be larger (smaller) than one where the province has a comparative advantage (disadvantage) regarding employment in a particular sector. This implies that the share of that sector in employment in the province will be

greater (less) than the share of same sector in the total economy. It should be noted that a location quotient could provide only an indication of historical trends without taking the future potential into account. For instance, the development of a mine will have a significant effect on the quotient for mining in the area. In addition, a true reflection of comparative advantage is obtained only when all provinces have functioned optimally during the period under consideration. As this is clearly impossible, it is assumed that the distorting factors, which caused the sub-optimal performance, such as government subsidies, low productivity of labour and the like, are more or less homogenous throughout the country. The Eastern Cape has comparative advantages in employment in agriculture and transport. This implies that these sectors are relatively more important as employment creators in the Eastern Cape than in the aggregate South Africa. This trend is more or less in line with the size of these sectors in the Eastern Cape.

Another characteristic of the employment structure is the level of diversification. A diversified economy is less vulnerable to changes in the external environment, such as changes in gold price, and to fluctuations of the business cycle. The diversification or concentration of an economy is measured by the tress index. The closer this number is to 100, the more concentrated the economy, and *vice versa*. Over the period 1980 to 1991, the economy of South Africa became less diversified in terms of labour. While the relative importance of agriculture and mining as employment creators decreased, sectors such as finance and business services and community and social services became relatively more important. Consequently, the sectoral employment tress index of the economy of South Africa increased from 44% in 1980 to 45% in 1991.

5.2.1.5 Production structure

The nominal GGP of the Eastern Cape was R21 019,8 million in 1991. In rate (inflation adjusted) terms, the GGP was R18 338,0 million at 1990 prices. The Eastern Cape thus contributed 7,6% to the gross domestic product (GDP) of the country. This was more or less on par with the contributions of Mpumalanga (8,6%) and Free State (6,4%). The Eastern Cape's share of the GDP has increased since 1970, when its contribution

was only 6,6%. During the period 1980 to 1991, the economy of the province achieved an average annual growth rate of 1,7%, compared with the national average of 1,3%.

As with the employment structure, the South African production structure has reduced its dependence on mining over the past decades. The resulting increase in the relative importance of the services-orientated or tertiary sectors is in line with international trends. Sectoral GGP tress index values show that this contributed to a decline in the diversity of the South African economy. The national tress index value increased from 36,0% in 1980 to 38,3% in 1991. The economy of the Eastern Cape, likewise, grew less diversified: its tress index increased from 43,2% to 51,3%. This occurred as a result of the growing importance of the two services sectors, as well as agriculture. The largest sectors in the Eastern Cape's economy are in order of size, community and social services, manufacturing, transport, finance and business services, commerce and agriculture, with shares ranging from 26,5% to 6,3% of GGP. The remaining sectors, construction, energy and mining, all contributed less than 4% to GGP.

The Eastern Cape has a lower GGP as result of two factors, these being that the migrant workers remit only part of their income to their families, and secondly the production structure of the province. In provinces where activities such as mining and electricity are dominant, a large proportion of the GGP accrues to companies in other provinces. In the Eastern Cape, in contrast, the dominant role of the services sectors, agriculture, trade and transport and even manufacturing, as well as the remittance from migrants, ensured that the province had an income to GGP ratio of 171,5% in 1991, which was the highest in the country.

⁴ The data in the table are the absolute figures, not the ratios used to derive the Index

Table 5.3: Districts with the highest needs indices: Eastern Cape

Rank	Magisterial district	Rural population	Poverty gap (R'000)	Poverty per capita (R)	Households With pit or Latrines	Needs Index
1.	Flagstaff/Lusikiki	283 371	170 470	610	41 715	2,99
2.	Engcobo	207 028	189 206	997	31 547	2,76
3.	Umzimkhulu	156 056	184 915	1 202	33 411	2,57
4.	Umtata	218 110	144 064	552	31 980	2,49
5.	Matatiele/Maluti	187 240	139 866	820	25 423	2,48
6.	Lady Frere	206 028	138 332	562	28 679	2,40
7.	Bizana	171 572	126 459	753	29 576	2,31
8.	PortS. John	54 487	88 967	1626	13 664	2,19
9.	Qumbu	126 772	113 888	954	26 162	2,16
10.	Mount Frere	141 909	109 570	815	29 036	2,16
11.	Kokstad	138 659	104 708	808	30 126	2,13
12.	Mt. Fletcher	78 412	109 570	1329	22 238	2,11
13.	Barkly East/Sterkspruit	144 848	95 365	685	23 828	2,07
14.	Alice	170 671	100 904	395	30 199	2,02
15.	Cofimvaba/St. Marks	118 962	93 542	820	25 112	2,00
16.	Komga	123 331	84 207	709	26 077	1,94
17.	Butterworth/Tsomo	110 821	78 604	761	17 586	1,89
18.	Ntabankulu	101 579	83 351	829	21 710	1,87
19.	Nqamakwe	118 245	65 251	602	21 201	1,82
20.	Tsolo	98 413	77 088	780	21 108	1,81
21.	Libode	123 931	57 146	491	22 624	1,76

Source: RDP Office, 1995.

5.2.2 KWAZULU NATAL

KwaZulu Natal forms the eastern seaboard of the country. In the north, it borders Mozambique and Swaziland, with Free State and Lesotho forming the western border. The Pietermaritzburg, Durban and Richards Bay- Empangeni (Lower Umfolozi) areas are the commercial and industrial nodes. KwaZulu Natal contains the former homeland of KwaZulu, which is not contiguous – its districts were demarcated in a particularly haphazard way, certain of them consisting of several separate areas. The province is essentially dualistic, with a well-developed economic

base in the former Natal area coexisting with high levels of poverty in the former KwaZulu. The 1991 land use pattern in KwaZulu was 10% arable, 76% grazing, 2% nature conservation and 4% forestry.

5.2.2.1 Population

KwaZulu Natal is the province with the largest population, in 1996 numbering 8,4 million, or 20,7% of the South African population. Between 1985 and 1996, the average annual population growth rate was 2,14%. At 100,1 people per km² its population density is well above the national average and the level of functional urbanisation⁷ is 52,9%. As in the two other provinces, the proportion of women in the population is quite high – just over 55% of the adult population is female. The adult women form significantly more than half the non-urban adult population, the main cause being male migration. In contrast to the other two provinces, migration to urban areas within the province is common, although some migration to other provinces, such as Gauteng, also occurs. Migrants in urban areas seem to be returning to the rural areas in greater numbers, probably as a result of inadequate skills compared with township residents. Daily and weekly commuting is also widespread. Large concentrations of women are also found to be associated with large-scale farming. In these districts, the number of non-urban people is quite small, generally below 30 000. Men tend to work in the urban areas of the district, leaving the women in the non-urban areas. There are also a number of female migrants, who tend to live in single or two-person households, often employed as seasonal or domestic workers, or in the informal sector. Fewer than 39% of the population is under the age of 15 and the fertility rate, at 2,8 is average. In non-urban areas, children under 15 are concentrated in the districts of the former KwaZulu. The small proportion of children in the commercial farming and industrial areas where there is a high proportion of female migrants is notable.

⁷ Includes the official urbanisation numbers as well as people living in large settlements (semi-urban) or in the vicinity of an urban area who are dependent on that area for an income (peri-urban).

5.2.2.2 Poverty and human development

At 0,602, the HDI of KwaZulu Natal is below the national average. Despite its strong industrial, mining and agriculture-based economy, the population of the province is quite poor. According to both the BMR (R5 924 in 1994) and PSLD data base (R5 727 in 1993) the personal annual per capita income of KwaZulu Natal is significantly below average, although it is much higher than similar figures for the Eastern Cape and Northern Province. According to PSLD, almost 630 000 households (40%), or 4,2 million people (50%) in KwaZulu are poor. Approximately 2,2 million people are under the age of 15. The per capita poverty gap⁸ which is again, far higher in the former homeland figures for these areas, are frequently double those of the surrounding areas. In the richer areas, at least 28% of households earn less than

R5 000 per year, or among the poorest 20% of households in the country. In the homeland areas, more than two thirds and up to nine tenths of households earn less than this amount. Concerning internationally poverty guidelines, only 11,6% of individuals in KwaZulu Natal live in households earning less than R41 per capita per day. At R4 124 in real terms the per capita GGP in KwaZulu Natal was considerably lower than the average for 1994. KwaZulu Natal also has a below average GGP per worker (R25 521). High GGP per capita levels are recorded in the mining, commercial and industrial centres followed by lower levels in commercial farming areas. The former homeland areas, again, demonstrate predictably low production figures per person.

5.2.2.3 Access to social and economic services

KwaZulu Natal is the only one of the three provinces having an above average illiteracy rate (85,0%). Most of the highly skilled population lives in the urban areas, while illiteracy is prevalent among aged people and rural women. Illiterate workers are concentrated in the rural and commercial farming areas. At 37, the 1993 pupil-teacher ratio was the second highest in the country. School attendance compares

⁸ The poverty gap measures how far all households in a district are below a poverty line of R840 a month for a family of four in urban areas and R740 a month for five people in rural areas.

poorly to the other provinces, and a full 11,3% of children aged 6 to 14 were not attending school at the time of the recent census. Stunting in the former KwaZulu is generally above the national average of 13 %⁹. Relative to the size of the population, medical facilities in KwaZulu Natal are above average. However, the distribution of these facilities is such that many people are still without adequate services. In 1992, there were 5,8 hospital beds per 1 000 population. The national average is 5,1 beds per 1 000. Over 2,8 million people are treated annually as out patients, excluding those in the former KwaZulu. There are more clinics in the rural than in the urban areas. The clinic to population ratios is low due to large population numbers. The size and staffing of the facilities at these clinics are probably less favourable than clinics in the formerly white areas. Districts such as Durban and Pietermaritzburg also have large facilities, although some of these are in a poor condition. Just over one-third of households in KwaZulu Natal have access to electricity and to water either on home or in site. In the former Natal areas, between 10 % and 30% of households have water at the home or on site. In the former KwaZulu, figures are below 5%. Access to sanitation is even poorer. On average, only 35% of households have flush or chemical toilets. The rest use buckets or pit latrines, or have no sanitation facilities at all.

5.2.2.4 Employment Structure

In 1994, 56% of the potential economically active population of KwaZulu Natal (aged 15 to 64) was actually economically active (i.e. employed, unemployed or in the informal sector). This was below the national participation rate of 59%. The subsistence agriculture sector in this province is relatively large, as is the number of people who depend on transfers such as remittances or pensions. According to the OHS¹⁰, the labour force of KwaZulu Natal numbered 2,7 million in 1995, and was growing by about 81 000 per year. In 1994, the absorption capacity of the formal economy was 52,4%. This was close to the absorption capacity for South Africa as a whole, and was due to the sizeable formal economy of the region. Still, many

⁹ The school entrants database indicates a national stunting average of 13%. Most other surveys suggest a rate closer to 25%, but do not provide information on district level.

¹⁰ This is an annual October Household Survey, which is conducted by the CSS.

Table 5.4: Districts with highest needs indices: KwaZulu Natal

Rank	Magisterial district	Rural Population	Poverty gap (R'000)	Poverty gap capita (R)	Households with pits or latrines	Needs Index
1.	Ndwedwe	364 288	161 925	518	80 206	3,46
2.	Maphumulo	265 179	134 602	443	41 743	3,00
3.	Umzumbe	245 271	144 994	520	40 392	2,95
4.	Umbumbulu	298 975	114 004	475	57 539	2,95
5.	Impendle	218 958	119 632	496	36 948	2,78
6.	Ntambanana	259 736	115 669	583	36 636	2,77
7.	Nquthu	219 821	132 211	415	33 850	2,75
8.	Ezingolweni	227 437	124 023	607	38 493	2,71
9.	Bergville	215 964	114 319	607	32 341	2,67
10.	Greytown	175 256	117 558	538	30 498	2,67
11.	Mpumalanga	233 890	140 990	455	53 868	2,58
12.	Nongoma	190 333	95 933	560	25 432	2,49
13.	Ingwavuma	165 740	91 927	538	24 253	2,41
14.	Nkandla	150 926	84 346	402	22 743	2,35
15.	Eshowe	173 352	86 303	592	26 072	2,29
16.	Hlabisa	165 412	95 038	618	27 877	2,27
17.	Dududu	139 346	77 727	722	22 926	2,25
18.	Ladysmith	156 282	98 531	582	23 542	2,15
19.	Pongola	131 335	65 418	630	17 725	2,10
20.	Ubombo	130 203	62 539	485	17 623	2,07

Source: RDP Office, 1995.

5.2.3 NORTHERN PROVINCE

The Northern Province is the northern most section of the country and borders with Botswana, Zimbabwe and Mozambique. Mpumalanga, Gauteng and North West Province form its southern borders. It contains the former homelands of Venda, Gazankulu and Lebowa. These are important features since districts in the former homelands are generally worse off. To the east the Kruger National Park forms part of the Phalaborwa district, which is also a mining area. The Pietersburg area is the industrial node, while the western most districts are also mining based. In 1991 the land use pattern in developing farming areas (i.e. the former homelands) was 79% grazing, 15% arable and 4% nature conservation.

5.2.3.1 Population human development

In 1996, the population of the Northern Province numbered 4 929 368 (4,9 million) [see Table 5.1]. It is the province with the fourth-largest population. KwaZulu Natal, Gauteng and the Eastern Cape are larger in this respect. It could easily reach the estimate of 5,9 million people by the year 2000. This is based on an average annual growth of 2,3%. Estimates of the population growth rate for the year 2000 to 2005 point to a 2,19% per annum increase. In light of this, the population will approximate 6,7 million people by 2005.

One of the factors contributing to the demographic momentum in the Northern Province is the prevalence of the youth. Over 41% of the inhabitants are younger than 15, making it the province with the second highest proportion of children in the country. Parents in urban areas often send their children to live with relatives in rural areas where a culture of learning is more prominent and schooling is relatively uninterrupted, while the cost of living is lower. Women make up 57% of the adult population. Most women live in abject poverty in rural areas in the former homelands of Venda, Gazankulu and Lebowa and have little, if any, access to family planning. The system of labour migrancy that originated during the existence of the homelands is the main historical factor contributing to the large proportion of women in the province. In general, men are more mobile than women are and more likely to migrate (often temporarily) to neighbouring areas in search of employment. Men outnumber women in provinces, which offer employment in mining, agriculture or industry, such as Gauteng and Free State, while women tend to outnumber men in predominantly rural areas with poor economic prospects.

In comparison with the rest of South Africa, the population density in the Northern Province is above average at 45,6 people per km² [see Table 5.1]. The level of functional urbanisation is far below the national average at 32,4%. Between 1985 and 1994, the level of functional urbanisation increased by 7,5% per year, compared with the South African average of 3,3%. This was the highest urbanisation growth rate in the country.

5.2.3.2 Poverty and human development

As noted, the HDI of the UNDP uses life expectancy and adult literacy as indications of people's capacities, and income to symbolise their opportunities. At 0,470, the HDI of the Northern Province is the lowest of all the provinces. Average income levels in the Northern Province are far below the national level. The Bureau of Market Research (BMR) estimates the personal annual per capita income for South Africa at R8 148 (1994), while that of the Northern Province is only R2 288. According to the PSLD data base, the average annual per capita income for the country is R7 062, while that of the Northern Province is only R2 343, which is the lowest level of income among the provinces. Approximately 610 000 households, or 3,6 million people in the Northern Province are poor, that is nearly 62% of households and 69% of individuals. Children account for approximately 1,9 million of these people. From the study it can be seen that the per capita poverty gap¹² is, again, far higher in the former homelands.

The distribution of households earning less than R5 000 per year or the poorest 20% of households is also informative. In the deep rural areas, over three-quarters of all households fall within this category. The extent of poverty is highlighted by the fact that more than half the households in formerly white farming districts are poor. Poverty is markedly lower in the mining districts. In terms of international poverty guidelines, 34% of individuals in this Province live in households earning less than \$1 per capita per day, and more than one third spend more than 60% of their income on food. On a per capita basis, the GGP of the Northern Province is higher than the level of personal income. This is mainly due to the dominance of mining and electricity in the production structure of the province – a large proportion of the GGP accrues to companies in other provinces. In 1994 the Northern Province had an income to GGP ratio of 81%. The per capita GGP in the Northern Province was the second lowest of all the provinces – at R1 746 per year in real terms,¹² it was well below the 1995 South African national average R574. The Northern Province also has the lowest GGP per

¹² The low percentage of children in the Nebo, Sekhukhuni land districts is probably an anomaly due to census undercounting.

worker, namely R18 293. High levels are recorded in the mining and industrial mining and industrial centres, followed by lower levels in commercial farming areas. Again, the former homelands demonstrate predictably low per capita production figures.

5.2.3.3 Access to social and economic services

At 74,3% the official adult literacy rate in the Northern Province is significantly below the South African average of 82,8%. Although illiteracy occurs mainly among people who do not form part of the labour force, farm workers also lack basic education, as indicated by the high levels of illiteracy in the commercial farming areas of Potgietersrus and Soutpansberg. The existing education system perpetuates the problem – in 1993 the pupil-teacher ratio in the province was 35 pupils per teacher. Still, school attendance is relatively high, and in 1991 only 8,6% of children aged 6 to 14 did not attend school. Average life expectancy in the Northern Province is 62,9 years, which is not far below the national average of 63,2 years. However, other health status indicators are less positive. At 55,9 the infant mortality rate of the Northern Province is the second highest of all provinces, and is far higher than the national average of 41,8 per 1 000 live births. Stunting rates are generally above the national average of 13%. Medical facilities in the Northern Province are also inadequate. In 1992 there were only 4,7 hospital beds per 1 000 population as against the national average of 5,1 beds per 1 000. Nearly 400 000 people are treated annually as outpatients, excluding those in the former homelands. Most clinics are concentrated in the former homelands, but the bed-patient ratios remain low due to the large population numbers. Access to electricity is limited to less than one-fifth of households in the Northern Province. Only 14% have water either in the home or on site. In the farming areas, about one-quarter of households have water in the home or on site. In the former homelands, 6% or fewer have on site access. These communities also lack access to adequate sanitation, as only one-tenth have flush or chemical toilets.

5.2.3.4 Employment structure

The Northern Province has a comparative advantage in employment in the agricultural sector. This sector is therefore relatively more important as an employment creator in the Northern Province compared with the aggregate for South Africa as a whole. This is a trend in line with the size of the sector in the province. Another characteristic of the employment structure is its level of diversification. A diversified economy is less vulnerable to changes in the external environment and fluctuations of the business cycle. The relative importance of agriculture and mining as employment creators in the province fell sharply from 1980–1994 sharply. The service sector's importance, however, increased dramatically leading to increased concentration. The province's economy also became increasingly less labour-intensive, requiring only 55 people to produce R1 million in GGP in 1994, compared with 87 people in 1980. The sectors most affected were agriculture, mining community and social services.

5.2.3.5 Needs index

The needs index, as defined previously, is reflected in Table 5.3. Districts in the former homelands are most in need of resources, with the exception of districts like Namakgale, which are adjacent to areas with high levels of economic activity. The table shows, in descending order, the top one-third of districts with the highest needs index. Funding requirements in non homelands districts are below 2%.

Figure 5.3

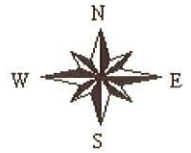
Magisterial Districts



Figure 5.3

Magisterial Districts of the Northern Province

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Magisterial Districts

[Blue]	Bochum/My Darling
[Green]	Brits
[Brown]	Burgersfort/Ohrigstad
[Light Green]	Bushbuckridge
[Orange]	Cullinan
[Purple]	Dendron/Dikgale
[Light Orange]	Duiwelskloof
[Light Blue]	Ellisras
[Yellow]	Fetagsomo
[Pink]	Giyani
[Light Yellow]	Groblersdal
[White]	Hoedspruit
[Dark Brown]	Kruger Park
[Yellow-Green]	Lebowakgomo
[Light Blue]	Louis Trichardt
[Light Blue]	Marble Hall
[Light Blue]	Mdutjana
[Yellow]	Messina
[Light Green]	Mogwase
[Light Green]	Moletje/Matlala
[Light Green]	Mutale/Masisi
[Light Blue]	Naboomspruit
[Green]	Nelspruit
[Brown]	Ngwaritsi
[Green]	Nylstroom
[Orange]	Phalaborwa
[Purple]	Pietersburg
[Orange]	Potgietersrus
[Blue]	Sabie
[Light Green]	Schuinsdraai
[Pink]	Temba
[Yellow]	Thabazimbi
[White]	Thohoyandou
[Brown]	Tzaneen
[Yellow]	Warmbath
[Light Blue]	Zeerust

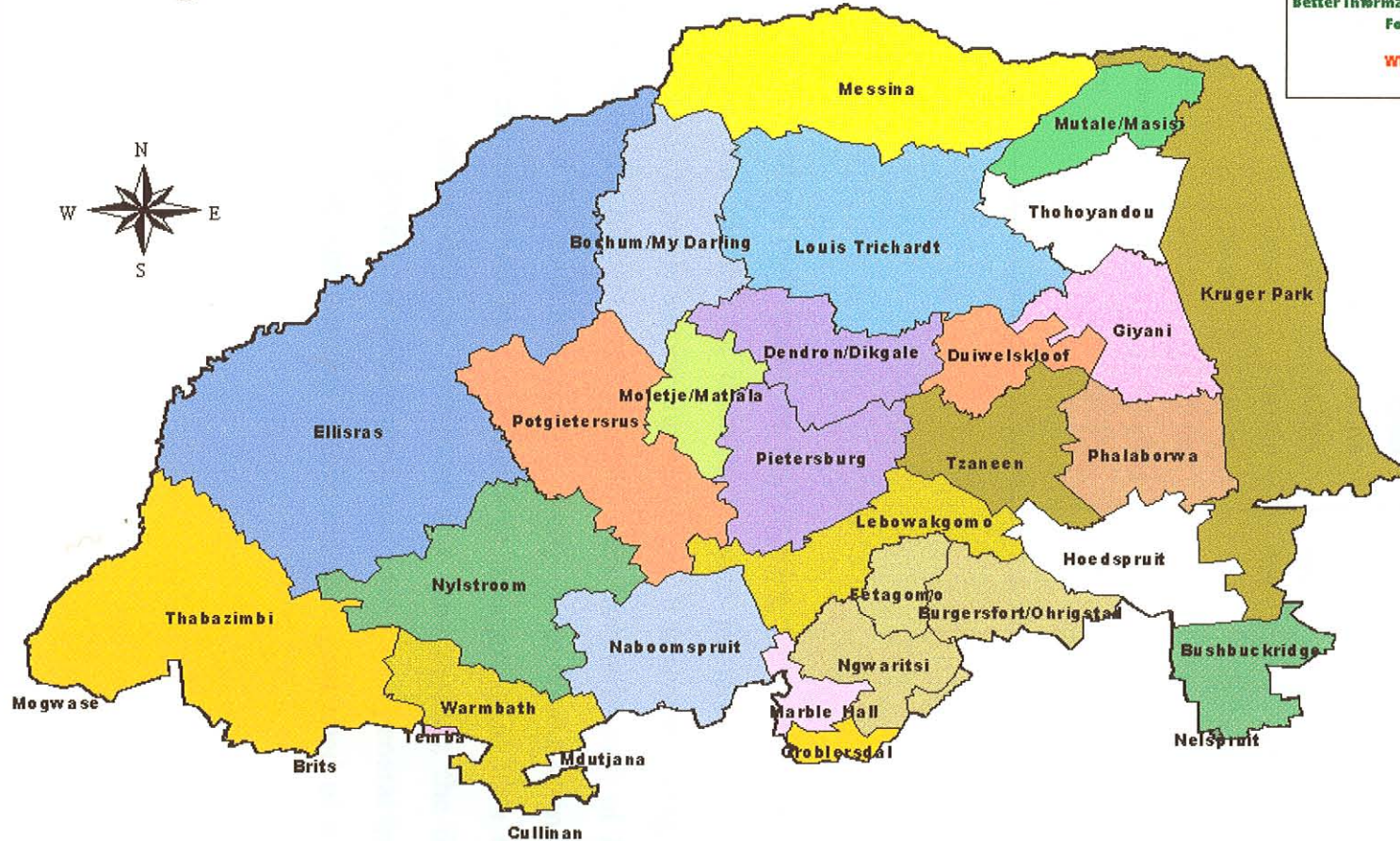


Table 5.5: Districts with the highest needs indices: Northern Province

Rank	Magisterial districts	Rural Population	Poverty Gap (R'000)	Poverty gap Per capita (R)	Households with pits or latrines	Needs Index
1.	Potgietersrus	476 244	285 715	608	79 841	5,79
2.	Ngwaritsi/Sekhukhuni	433 005	300 730	720	85 221	5,75
3.	Marble Hall/Nebo	349 484	232 663	688	63 997	5,10
4.	Thabamooopo	363 563	230 498	602	65 811	5,08
5.	Bushbuckridge/Mhala	264 852	185 596	693	54 440	4,52
6.	Seshego	286 931	183 718	529	50 311	4,31
7.	Hoedespriut	233 331	149 181	669	44 109	4,22
8.	Duiwelskloof	214 514	137 108	679	38 694	4,13
9.	Giyani/Malamulele	196 079	127 465	696	35 591	4,05
10.	Thohoyandou	254 936	137 040	496	44 466	4,02

Source: RDP Office, 1995.

5.3 Conclusion

The needs index is a blunt instrument for highlighting the districts with the most poverty. Given that the number of districts in each province differs, no direct comparison of needs is possible among the provinces. It is worth noting that all the districts, which have the highest need indices, were formerly part of homelands. These highlight some of the main features of poverty in the three provinces of South Africa. Although circumscribed by the paucity of disaggregated data that would permit comparisons across districts, provinces and time periods, the descriptions provided illustrate that poverty is widespread, and provides a general indication of the location of the poorest communities, which are in urgent need of initiatives to eradicate poverty.