

CHAPTER 5 AN ECONOMIC PROFILE OF KWAKWATSI

5.1 INTRODUCTION

In this chapter, a profile of households within the area is constructed from different angles. Slabbert (1997:90) notes that to keep track of changes in these characteristics over time is important as it helps with monitoring the impact of poverty reduction policies and efforts on the different aspects of poverty. The aim herein is to provide insights into households and their circumstances by presenting an economic profile of the community.

Expenditure information of households forms an important part of the developmental planning process. The information can be used to prepare demand planning and in the formulation of policies to reduce poverty, inequality and unemployment. The chapter will present an economic profile of the area; population size, distribution, labour force, educational qualifications of the population. Information provided will also include an analysis of the sources of income and expenditure patterns of the residents of Kwakwatsi. The results of the study will be compared to household data from a similar study conducted in the township of Bophelong in the Vaal Triangle region by Slabbert in 2009.

5.2 THE GEOGRAPHICAL LOCATION OF KWAKWATSI

Kwakwatsi is a residential township in the northern region of the Free State Province. The area is a former black residential township for the town of Koppies. Koppies is located approximately 70km south of Sasolburg and 280km north of Bloemfontein. The strategic national railway line from the Cape provinces to Gauteng province passes through Koppies. The area is part of the Ngwathe Municipality, with its head office in Parys.

In 1904, General C.R. de Wet established a settlement on the banks of the Renoster River for underprivileged whites. In 1926 this settlement achieved municipal rights and became the town of Koppies. Another central figure in the settlement of the town was Emily Hobhouse (Northern Free State District Council, 2010).

Concerned about the economic and personal losses of the Boer people throughout the Anglo Boer war, she promoted the idea of home-industry among the inhabitants of the town. Koppies Dam Nature Reserve in the area is the perfect location for water sports, bird and game viewing. Anglers know this dam as a fishing paradise. Several historical places and monuments relating to the Anglo-Boer War can be visited in Koppies. The town has remained an important agricultural area in the Northern Free State (Northern Free State District Council, 2010).

5.3 THE HOUSEHOLD SURVEY

A survey was undertaken for the collection of household data for the study. Maps were obtained for Kwakwatsi and sample stratification was designed on account of the geographical distribution and concentration of people in the areas. A questionnaire was designed for obtaining the desired information. The area was divided into the different extensions and the questionnaires were apportioned evenly among the inhabited sites. Plots/sites at which field workers were supposed to complete questionnaires were identified individually from the map before the field workers went out. However, where people could not be obtained for an interview, or where it was impossible to trace the house, a next pre-selected household was interviewed. Information was obtained from the breadwinner or the spouse.

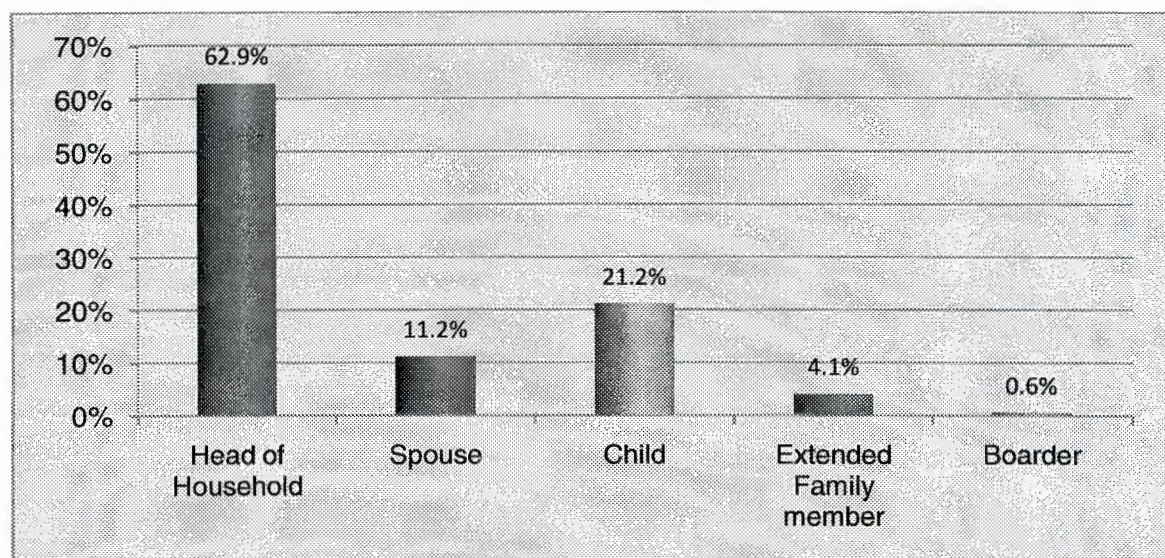
Survey questionnaires were developed after a literature review of similar research projects. Close-ended multiple-choice questions were primarily used in the questionnaires in order to simplify the data analysis and interpretation process. Open-ended questions were kept to the minimum. Questions applicable to this study were selected and arranged in a manner that could yield meaningful results in a cost effective manner. The format and contents of the questionnaire were finalised only after the questionnaire was pre-tested. To ensure ethical clearance for the project, the questionnaire was designed in conjunction with the supervisor at the North West University, and clearance was obtained beforehand from the Research Ethics Committee of the Faculty of Economic and Management Sciences of the North West University. A total of 190 households were interviewed by 2 fieldworkers.

Almost all the households approached were willing to partake in the survey and 180 questionnaires were completed in June 2009.

5.4 RESPONDENTS TO THE SURVEY

The figure below show respondents to the survey during site visits (Figure 5.1). 62.9% of the respondents to the questionnaire were the head of households, and 11.2% were spouses. The instances where children were main respondents were in most cases older siblings tasked to take care of other members of the household while the breadwinner stayed at the place of work.

FIGURE 5.1: RESPONDENTS TO THE SURVEY (2009)



Source: Survey data, 2009.

5.5 DEMOGRAPHIC PROFILE

The analysis of the demographics of the area has important implications on employment, income and household structures. In the next section the demographic profile of the sample population is presented from different angles.

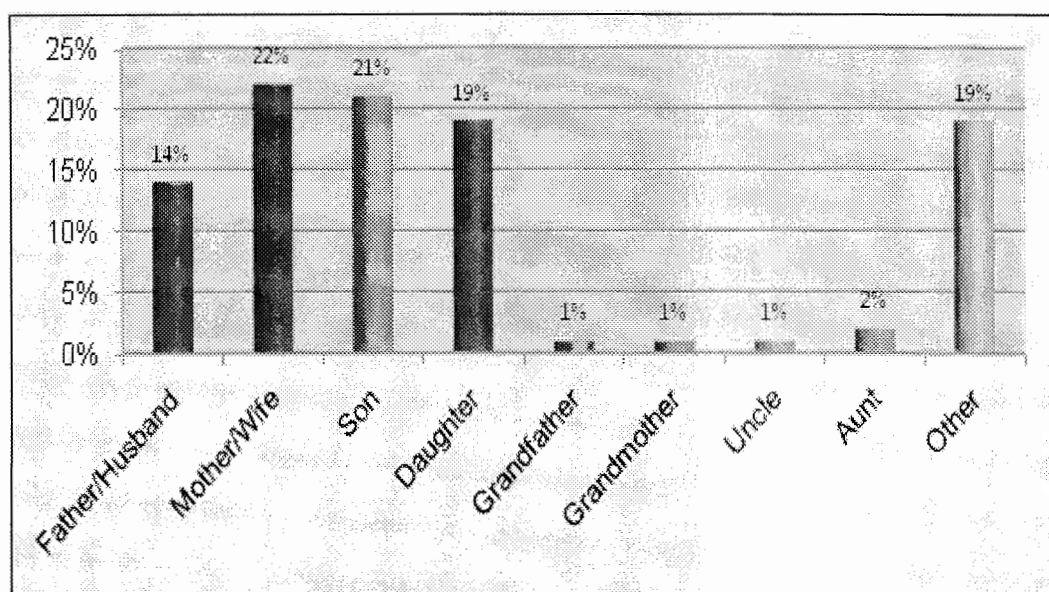
5.5.1 Household size

The average household size for Kwakwatsi is calculated to be 3.89 using the household data. This is in comparison to the municipality calculated household size of 5.8 for the township in 2007 (Ngwathe Municipality, 2007:13). The difference in figures might be due to the recent expansion of the township with the allocation of new residential sites. Other members of the households might have moved out and occupied the newly allocated residential sites. Kwakwatsi is part of the Ngwathe municipality with its headquarters in Parys. Using Stats SA (2007:9) figures, the household size for Ngwathe was calculated at 3 members per household. The Ngwathe Municipality had an estimated population size of 95 178. The population size of Kwakwatsi is estimated at 13 226 persons. There are 3 443 official residential sites, of which 3019 are occupied. The nearest town of Koppies has 338 official residential sites occupied (Ngwathe, 2009:57).

5.5.2 Members of the household

The distribution of the members of the households is shown in Figure 5.2 below. The figure shows a lower percentage of fathers (14%) in relation to mothers (22%). This could be an indicator of high single parenting. The figure also shows a more or less equal spread of son and daughters, 21% and 19% respectively. The category for others was used to account for relatives, grandchildren and any other members sharing a common household. Slabbert (2009) found a similar household make up in his study of Bophelong. The study showed a distribution of 13% fathers and 21% mothers. The percentage of daughters and sons was 27% and 26% respectively for Bophelong.

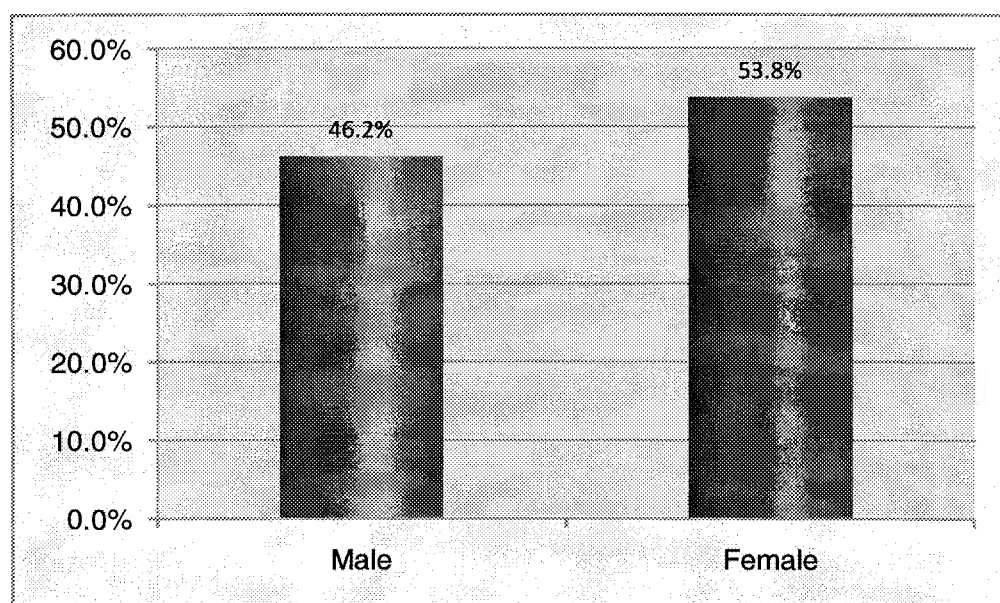
FIGURE 5.2: STATUS OF MEMBERS OF HOUSEHOLDS



Source: Survey data, 2009.

A further analysis of the residents is undertaken in Figure 5.3. The figure shows the gender distribution of the members of the households. It shows that approximately 46.2% of the residents of Kwakwatsi are males, and 53.8% females. The Stats SA's (2009b:4) mid-year population estimates for Africans shows a national gender distribution of 48.3% and 51.7% for males and females respectively. Ngwathe Municipality has a gender distribution of 47% male and 53% female (Ngwathe 2009:46). For the Free State province, the gender distribution is 47.8% males and 52.2% female. Then figures for Kwakwatsi suggest a pattern related to national figures (FS Treasury, 2008:23).

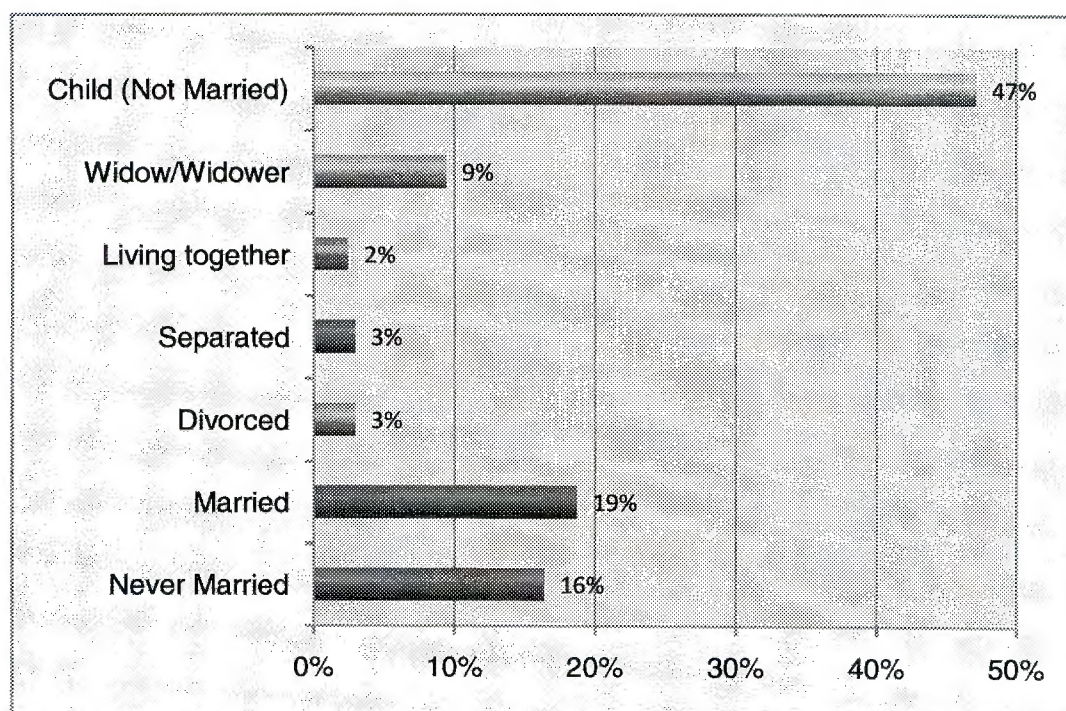
FIGURE 5.3: GENDER DISTRIBUTION OF THE POPULATION



Source: Survey data, 2009.

The marital status of the population is analysed in Figure 5.4. The figure shows that 47% of the population is children and never married. The percentage of the population with a status of married is 19%, with 16% being adults and not married. The percentage of those widowed and living together is 9% and 2%, respectively. The percentage of those divorced seems to be low (3 %). The figures for Bophelong show that 34% of the population is children and never married, while 29% of the population is married. There was a higher percentage of those living together in Bophelong (28%) compared to Kwakwatsi 2%.

FIGURE 5.4: MARITAL STATUS OF THE POPULATION



Source: Survey data, 2009.

5.5.3 Age distribution of the population

Table 5.1 shows the distribution of the population of Kwakwatsi by age and gender. The percentage of people in each category is shown horizontally. It shows that 41% of the population is aged 19 years and younger, with 26% between the age of 20 and 40. The percentage of those is aged 65 years and older is 9%. A comparison with Stats SA (2009b:10) shows that 45% of all African population for South Africa is less than the age of 19. For the age group 65 years and older, the percentage is estimated at 3.9%. The percentage for males and females under the age of 19 is 46% and 38%, respectively. Slabbert (2009) found the percentage of the population older than 65 years at 2% for Bophelong. Forty three percent of the population was aged 19 and under. Ngwathe Municipality (2009:45) has 6% of its population over the age of 65. The percentage of those older than 65 years for Kwakwatsi seem to indicate that there is a high number of older persons in Kwakwatsi.

TABLE 5.1: POPULATION DISTRIBUTION BY AGE AND GENDER			
Age group	Male	Female	Total
0-4	10%	9%	9%
5-9	14%	11%	12%
10-14	10%	10%	10%
15-19	12%	8%	10%
20-24	9%	7%	8%
25-29	8%	8%	8%
30-34	3%	9%	6%
35-39	4%	4%	4%
40-44	4%	6%	5%
45-49	5%	5%	5%
50-54	5%	4%	5%
55-59	4%	3%	4%
60-64	3%	4%	4%
65-69	3%	3%	3%
70-74	2%	3%	2%
75-79	2%	2%	2%
80+	2%	3%	2%
Total	100%	100%	100%

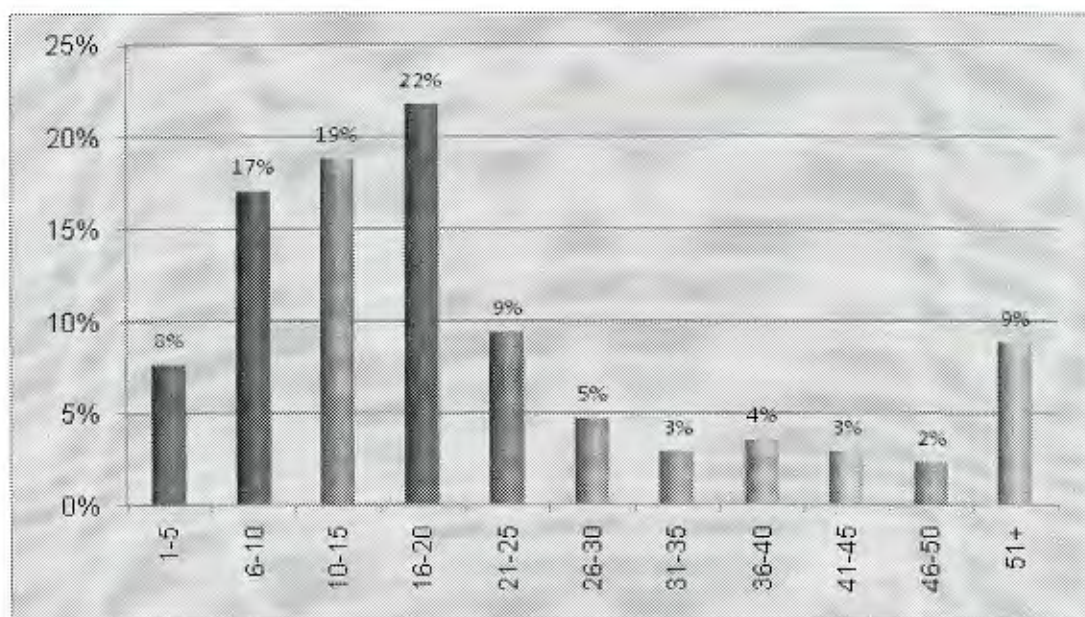
Source: Survey data, 2009.

5.5.4 Migration to Kwakwatsi

Figure 5.5 shows migration statistics to the area. The figure shows that 25% of the population has moved to the township in the last ten years. 22% of the respondents said that they have been in the township for a period between 16 and 20 years. Most of those who migrated to the township in the last 10 years were staying in the farms surrounding the township, with some moving to the township following the 1994 elections.

The migration could have also been influenced by the allocation of additional erven for residential sites by the municipality during 2006, where the township was extended with a new area at the outskirts of the township.

FIGURE 5.5: AVERAGE LENGTH OF STAY IN KWAKWATSI



Source: Survey data, 2009.

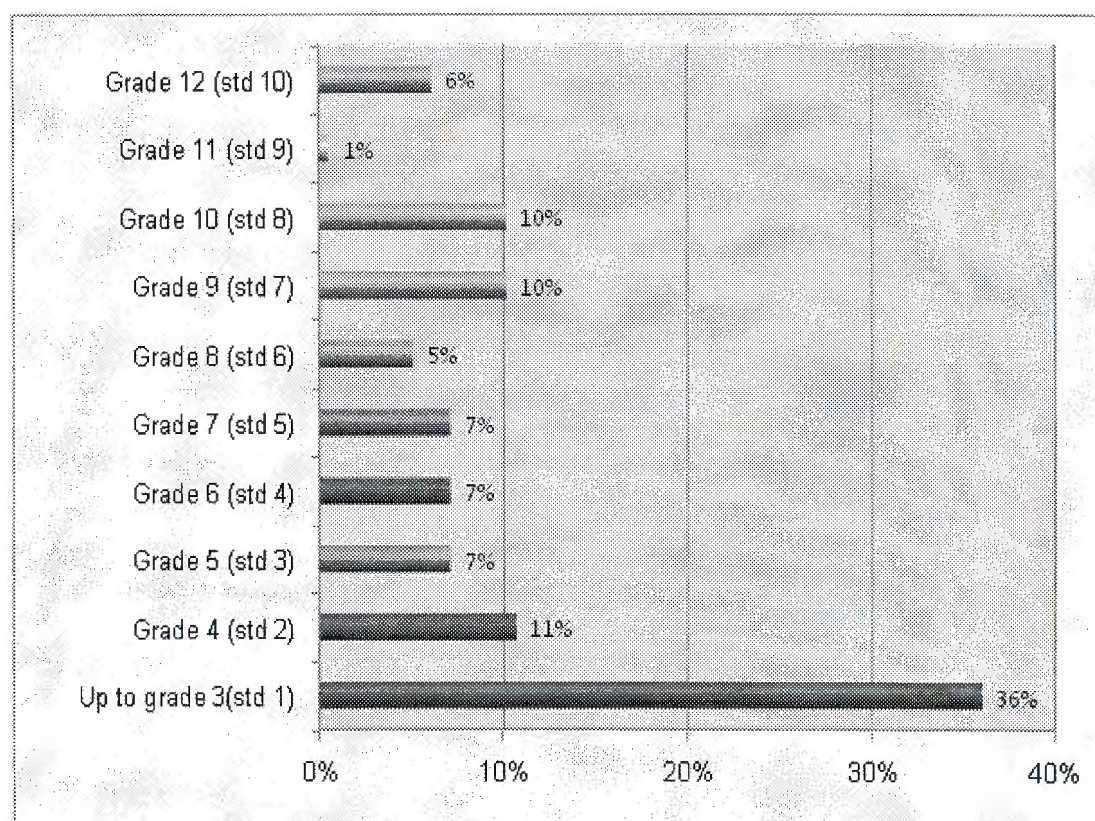
5.6 LITERACY OF THE POPULATION

The education profile of the sample population is presented from different angles in this section. Education is widely recognised to be a vehicle for empowerment, economic growth and general improvements in welfare.

5.6.1 Population in school

Figure 5.6 shows the enrolments of the school-going population for the sample population. The figure shows that the majority of the school going population (36%) is still in the first three years of schooling, and in total 69% of the school population still in primary schooling education. The enrolment for grade 12 is 6%, with 20% combined in grade 8 and 7. There was no tertiary education enrolment recorded. For Bophelong, the percentage of those in school in their first three years of schooling was 48%, with 6% of the population in matric (Slabbert, 2009).

FIGURE 5.6: QUALIFICATIONS OF POPULATION IN SCHOOL

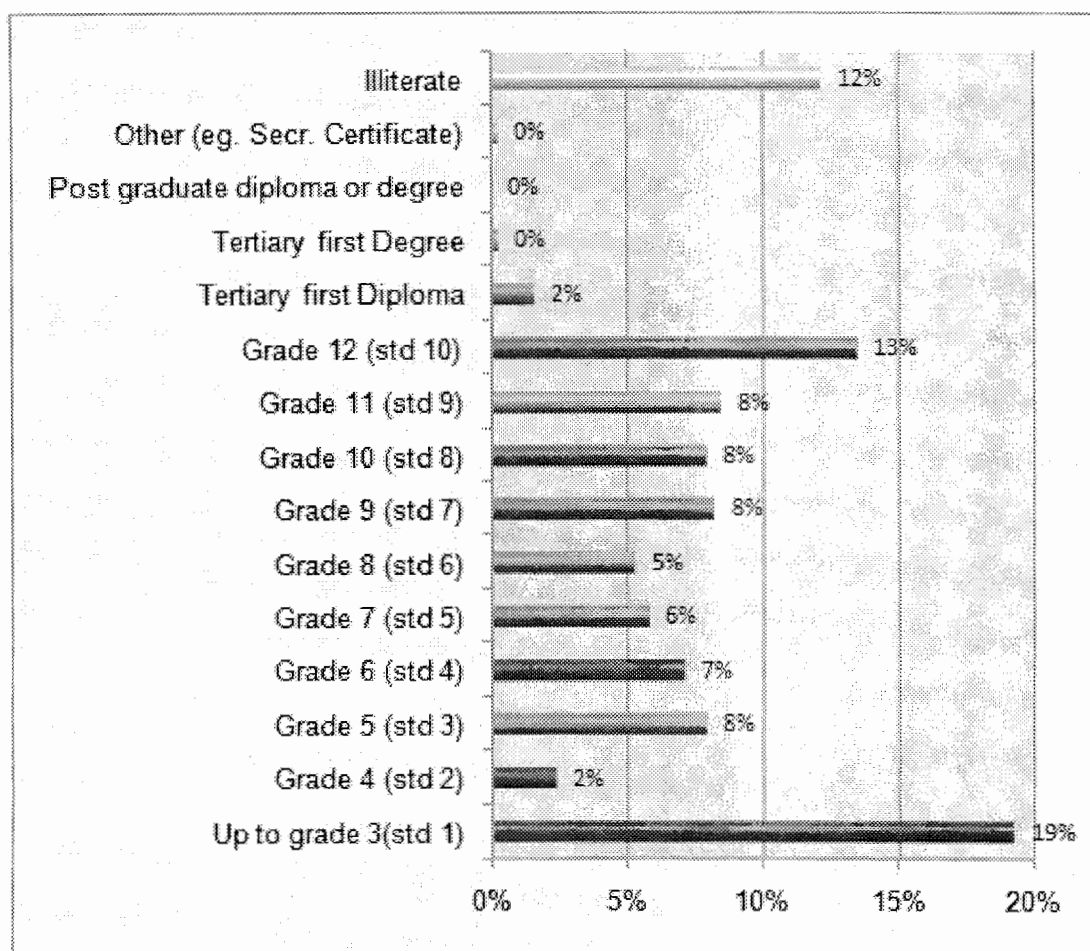


Source: Survey data, 2009.

5.6.2 Qualifications of the post-school population

Figure 5.7 shows the educational levels of the out-of-school population from the sample data. Fifteen percent of the post-school population has a Grade 12 or higher qualification, whilst 42% of the post-school population has only attained Grade 7 or lower educational levels, and 3.1% has tertiary education. About 12% of the total post-school population in Kwakwatsi is illiterate, and 19% have educational qualifications up to grade 3. Stats SA (2009b:51) shows that 10.3% of the post-school population in South Africa has no schooling, and 27.7% have a qualification of Grade 12 and higher. For the African population, Stats SA (2009b:52) recorded a no schooling percentage of 12.8% for South Africa as a whole. For Bophelong community, Slabbert (2009:8) found that 33% of the post-school population has a grade 12 and higher, with 2% being illiterate.

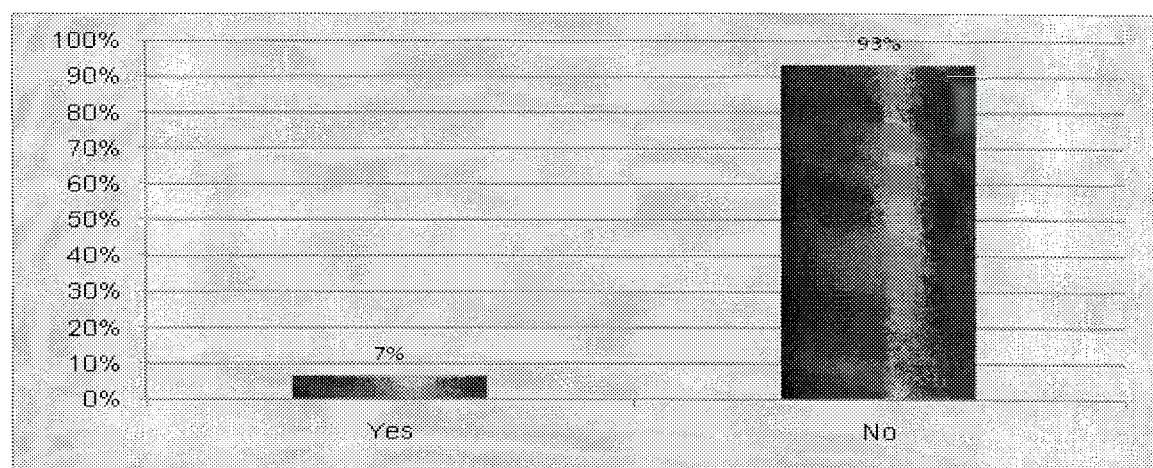
FIGURE 5.7: QUALIFICATIONS OF POST-SCHOOL POPULATION



Source: Survey data, 2009.

Figure 5.8 further analyses the educational level of the population by indicating the frequency of attaining a matric exemption (with which one can attend either a university of technology or university) by school leavers. The question posed was: do you have a matric exemption? According to the figure, 7% of all persons who have matric, have a matric exemption, and 93% has no matric exemption. Those who were interested in studying indicated that they are interested in technical college (36%), university of technology (18%) and university (9%) and other (37%). A comparison of Bophelong shows a distribution of 27% with matric exemption and 73% with no matric exemption (Slabbert, 2009).

FIGURE 5.8: MATRIC EXEMPTION ATTAINMENT IN KWAKWATSI



Source: Survey data, 2009.

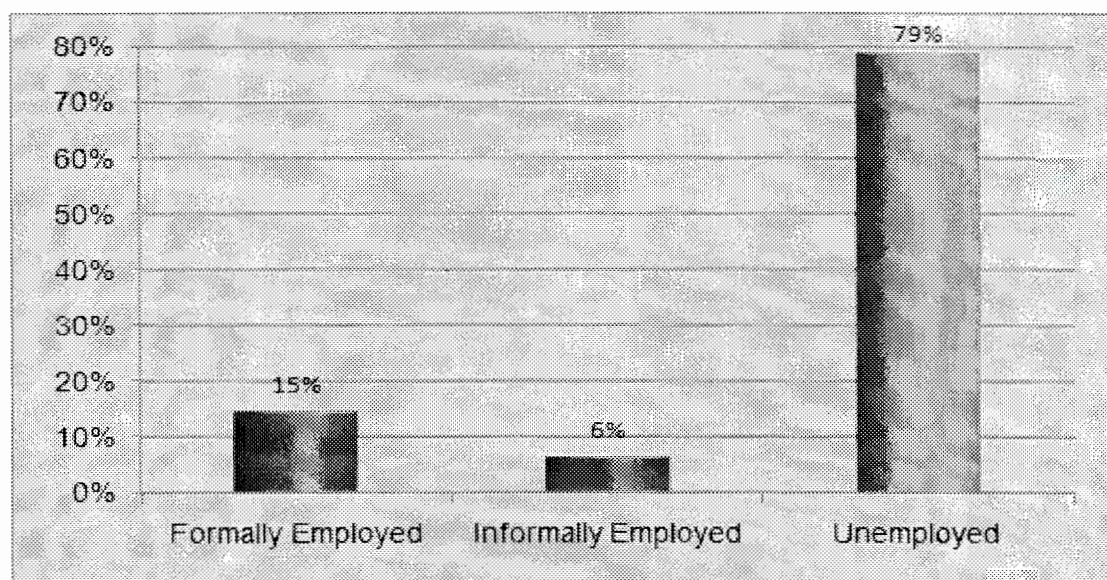
5.7 ECONOMIC STATUS OF THE POPULATION

The next section will show the employment profile of the sample population. In Section 4.4 the various ways in which unemployment can be measured were discussed. The survey method was used in order to capture the employment demographics of the area. For this study the unemployed is defined as a person who has the desire to work and to take up employment or self employment and cannot find employment.

5.7.1 Profile of the unemployed

The unemployment rate of the sample population is calculated at 79% in 2009 and there are, on average, 1.3 unemployed persons per household. The official unemployment rate for Ngwathe Municipality was 43.1% for the same year (Ngwathe Municipality, 2009:45). The percentage of the population that is employed and unemployed in Kwakwatsi is portrayed in Figure 5.9. About 15% of the labour force in Kwakwatsi are employed in the formal sector, 6% in the informal sector and 79% are unemployed. Bophelong community had an unemployment rate of 62% (Slabbert, 2009). This suggests a higher unemployment rate for Kwakwatsi. Stats SA (2009a:v) calculated the national unemployment rate for the second quarter of 2009 at 23.5% using the strict definition. The highest labour absorption for the sample population is in the domestic/gardening services (21%).

FIGURE 5.9: LABOUR FORCE - TOTAL POPULATION

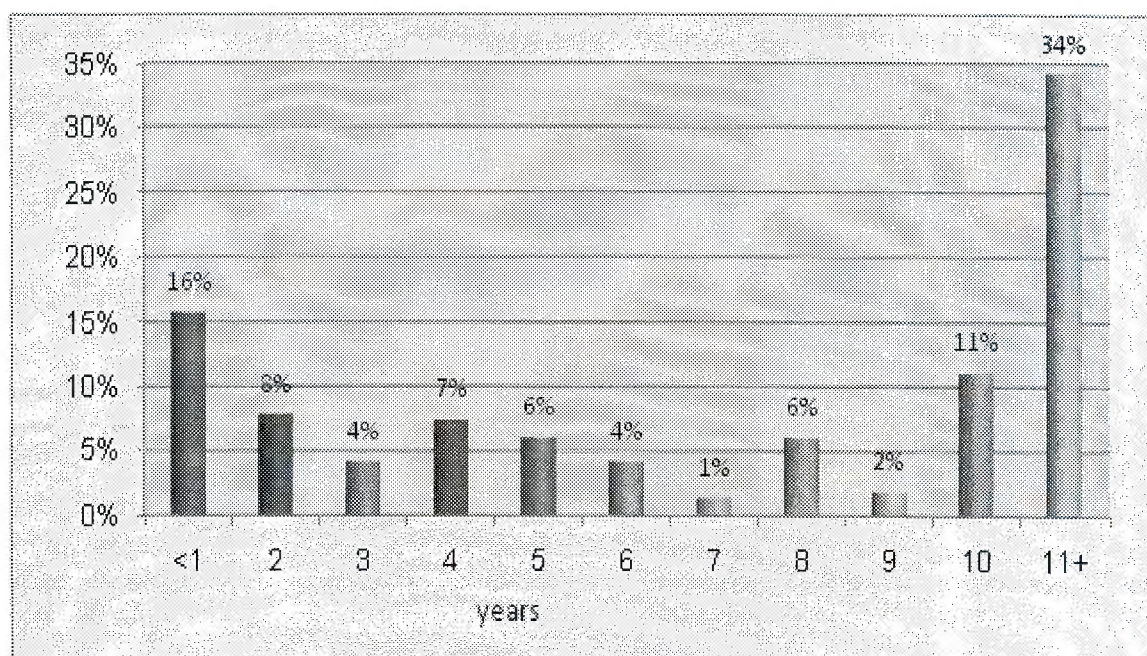


Source: Survey data, 2009.

Slabbert (2004:69) notes that a problem affecting the accuracy of the unemployment rate is the multiplying effect. This is the effect of high levels of unemployment in involuntary unemployment. This can be illustrated by an example of a mother and a grown up daughter who are both unemployed and have expressed the desire to take up employment. However, if one of them is successful in finding employment, the other will no longer be available to take up employment.

The duration of unemployment is analysed in Figure 5.10. The figure shows that 34% of the unemployed has been without work for a period greater than 11 years, 16% of the population has been unemployed for less than one year. Most probably these are school-leavers who have entered the labour market as job seekers. 7% and 6% have been unemployed for three and four years respectively. A great number of the unemployed (64%) has been unemployed for five years and more. According to Slabbert (2009), 14% of the unemployed for Bophelong have been unemployed for less than one year. Those who have been unemployed for more than five years amounted to 56% of the labour force.

FIGURE 5.10: DURATION OF UNEMPLOYMENT - TOTAL POPULATION

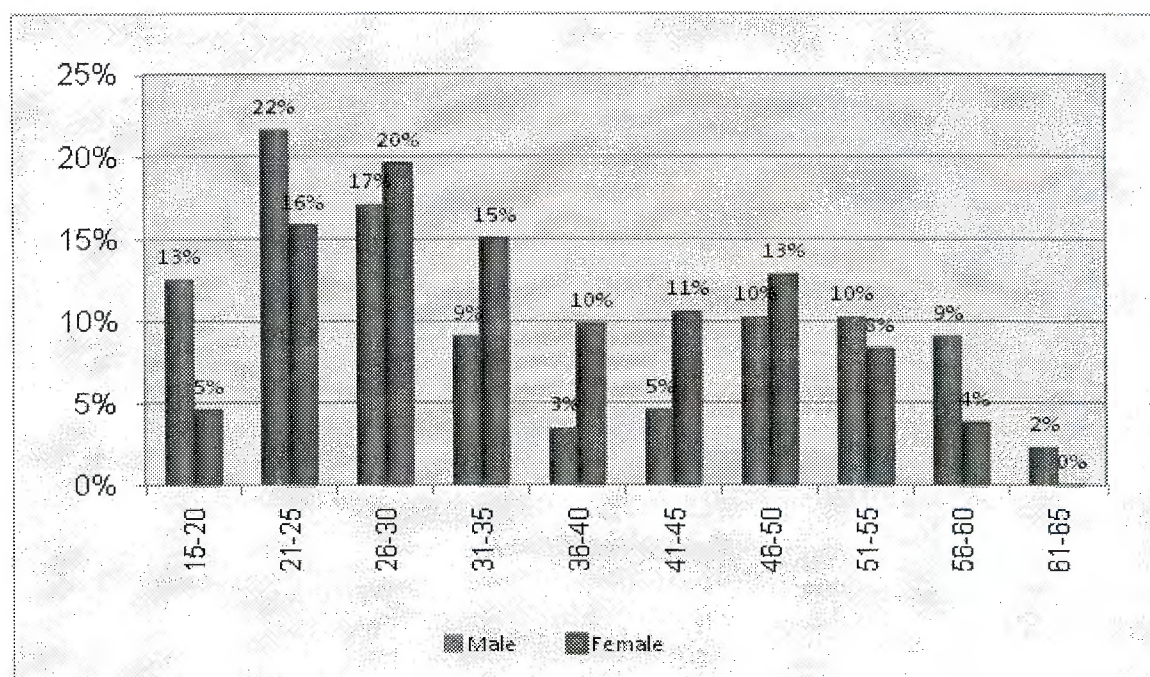


Source: Survey data, 2009.

The gender distribution of the unemployed is shown in figure 5.10. The figure shows that 60.2% of the unemployed is female and 39.8% male. This shows that unemployment has a gender bias within the Kwakwatsi; with the female population bearing most of the brunt of joblessness. This seems to be a general trend, as results for Bophelong show that 66% of the unemployed are females and 44% males (Slabbert, 2009).

The analysis of the age categories of the unemployed is shown in Figure 5.11. The figure shows the unemployed by age and gender. The figure shows an increased distribution of the unemployed under the age of 35. Sixty percent of all males and 54% females unemployed are in the youth categories (ages 15 to 35).

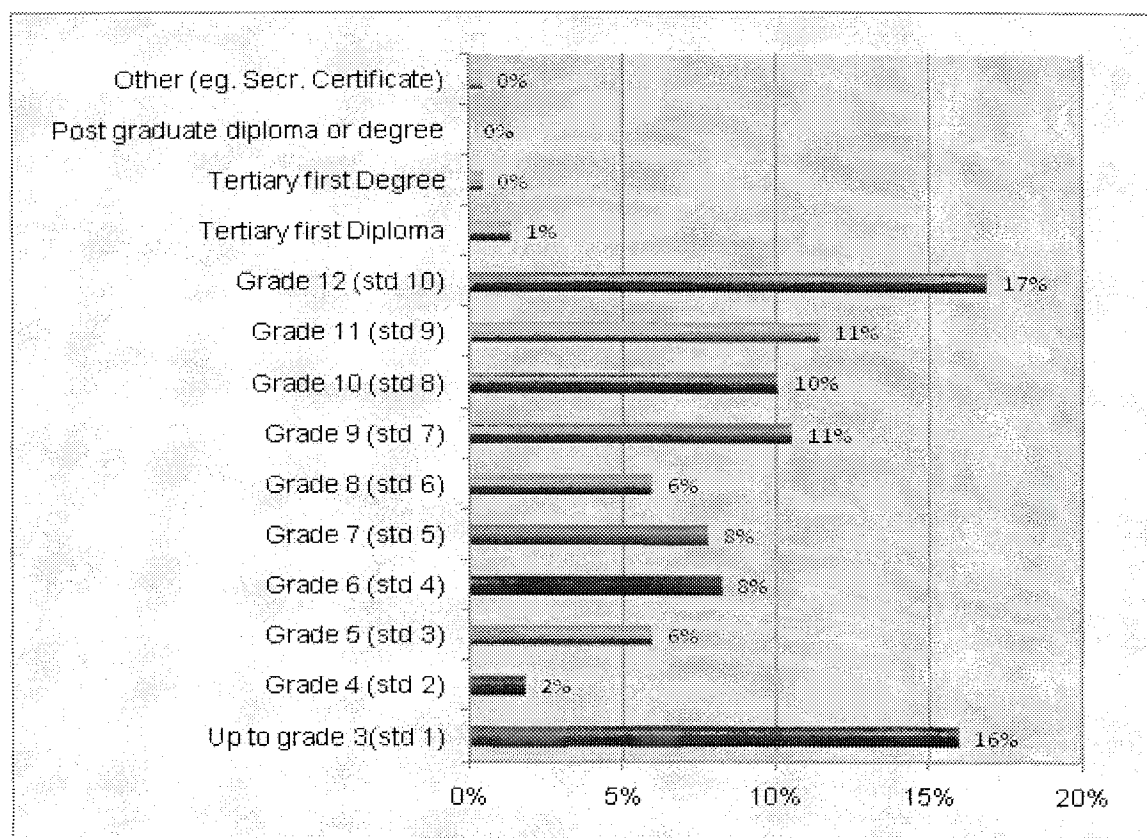
FIGURE 5.11: UNEMPLOYED BY AGE AND GENDER



Source: Survey data, 2009.

Figure 5.12 portrays the qualifications of the unemployed. Seventeen percent of the unemployed have qualifications of Grade 12, compared to 13% of the total post-school population. However, the percentage of the total post-school population with a diploma or degree is 1%, compared to 2% for the unemployed, which could indicate that those with a diploma or degree have a better chance to find employment than those with only Grade 12 or lower. This could also indicate limited employment opportunities overall, and can be a discouragement to finishing high school as more and more school leavers can't find employment. The figures for Kwakwatsi suggest that the unemployed in the area have lower qualifications than comparable townships. For Bophelong, 31% of the unemployed have a matric qualification. Five percent of the unemployed have a qualification higher than matric (Slabbert, 2009). This is in comparison to the one percent for Kwakwatsi.

FIGURE 5.12: QUALIFICATIONS OF THE UNEMPLOYED



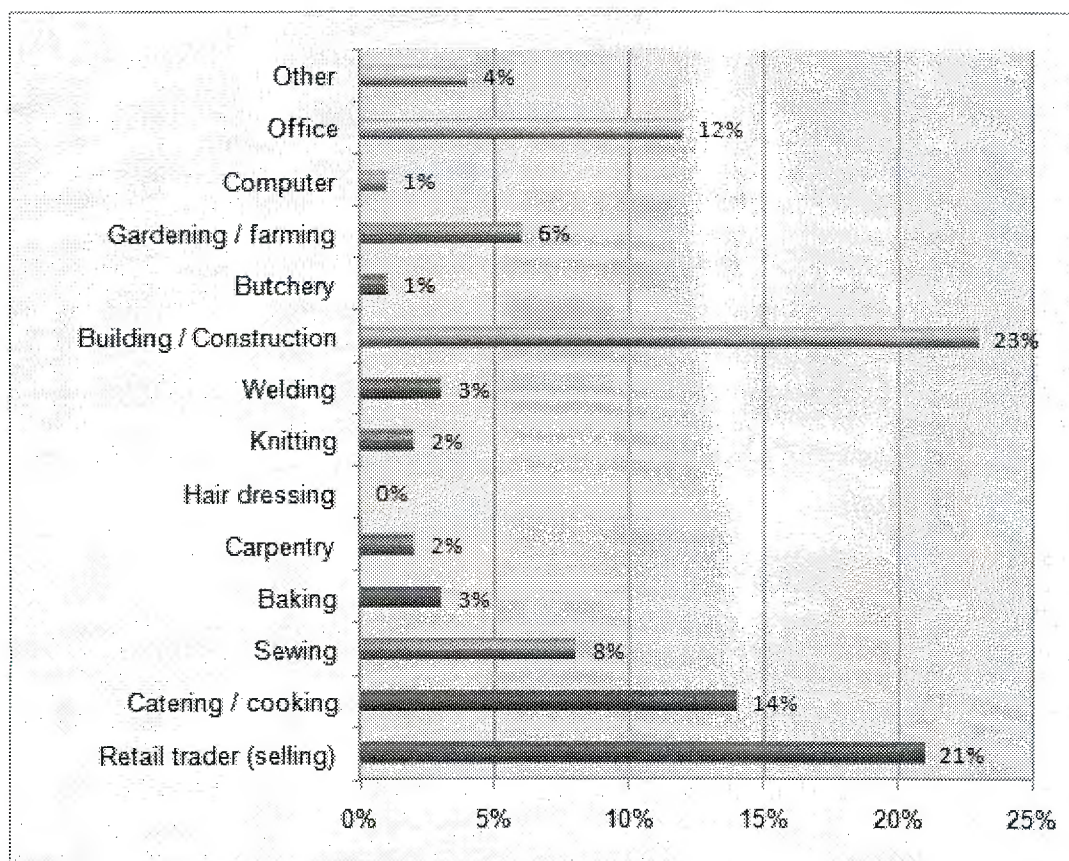
Source: Survey data, 2009.

Figure 5.13 shows the skills of the unemployed. The unemployed were asked to list the skills they have. The highest percentage of the unemployed has skills in construction (23%). Twenty one percent of the unemployed have trading skills, 14% catering, office 12% and 6% have gardening or farming skills. The predominantly male skills possessed by the unemployed are gardening/farming, building/construction, welding and carpentry (34%), while the predominantly 'female' skills knitting, baking, sewing, catering/cooking (27%).

As mentioned above, the highest percentage of the unemployed has building/construction skills, while 14% of the unemployed has catering/cooking skills. Some of these respondents have worked as domestic workers in the nearby town of Koppies, and the farms surrounding the township. The expectation was that most respondents would have farming or gardening skills due to the location of the township, but only 6% of respondents said that they have these skills.

This is in contrast to the fact that 21% of the employed work as gardeners/domestic workers. This could be workers who were employed in other parts of the country which does not necessarily require farming related skills.

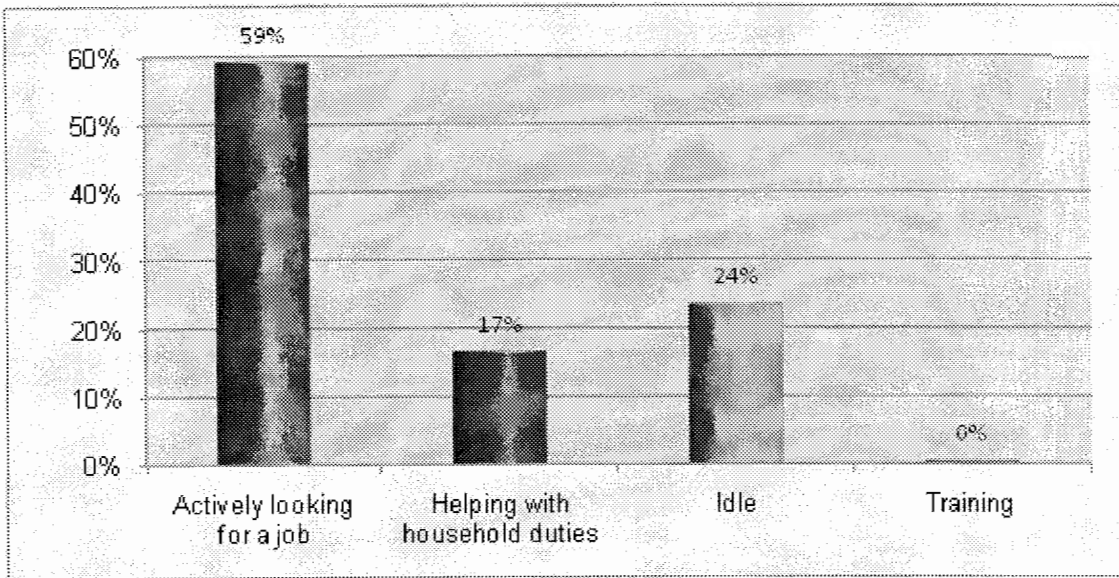
FIGURE 5.13: SKILLS OF THE UNEMPLOYED



Source: Survey data, 2009.

Of the unemployed, none are involved in training related activities (Figure 5.14). 59% of the unemployed are actively looking for a job, with 17% helping at home with household duties, and 24% being idle. Those who are not finding a job might just loiter around the township and might be the source of the many socio-economic problems within the community (this will be discussed in later chapters). The idle percentage could also be regarded as discouraged workers, who have given up on any hope of finding employment opportunities.

FIGURE 5.14: WHAT THE UNEMPLOYED ARE DOING



Source: Survey data, 2009.

While employment opportunities seem scarce to non-existent for the residents of Kwakwatsi, the unemployed willingness to take up paying employment was tested by asking the unemployed to state the minimum wage at which they will be willing to work at. The minimum wage for the residents of Kwakwatsi is calculated at an average of R2360 per month. The minimum wage seems to differ depending on the age of the respondents. The minimum wage is higher at the younger age group, with those between the age of 15 and 30 saying that they will accept employment at a salary of R2920, whilst the older population (aged 50+) have a lower minimum salary of R1881. Table 5.2 shows the average minimum wage at different age groups.

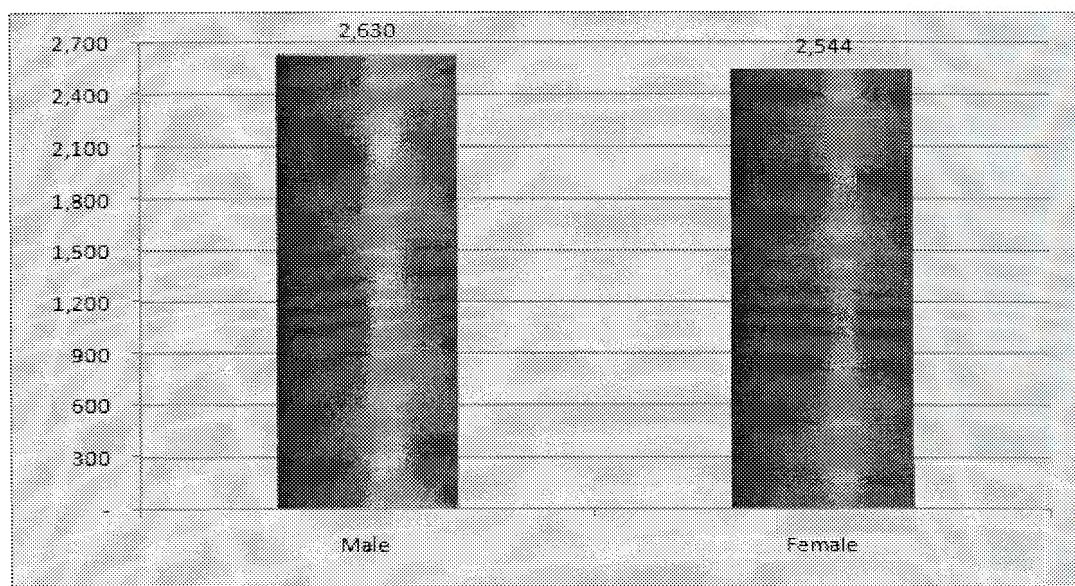
TABLE 5.2: MINIMUM WAGE AT THE UNEMPLOYED ARE WILLING TO TAKE UP WORK, IN AGE CATEGORIES

Age Category	Average Amount
15-29	R 2,920
30-39	R 2,051
40-49	R 2,011
50+	R 1,881

Source: Survey data, 2009.

The minimum wage seems to also differ depending on the gender of the respondent. The female respondents have listed a lower minimum wage compared to males, at R2544 and R2630, respectively (Figure 5.15).

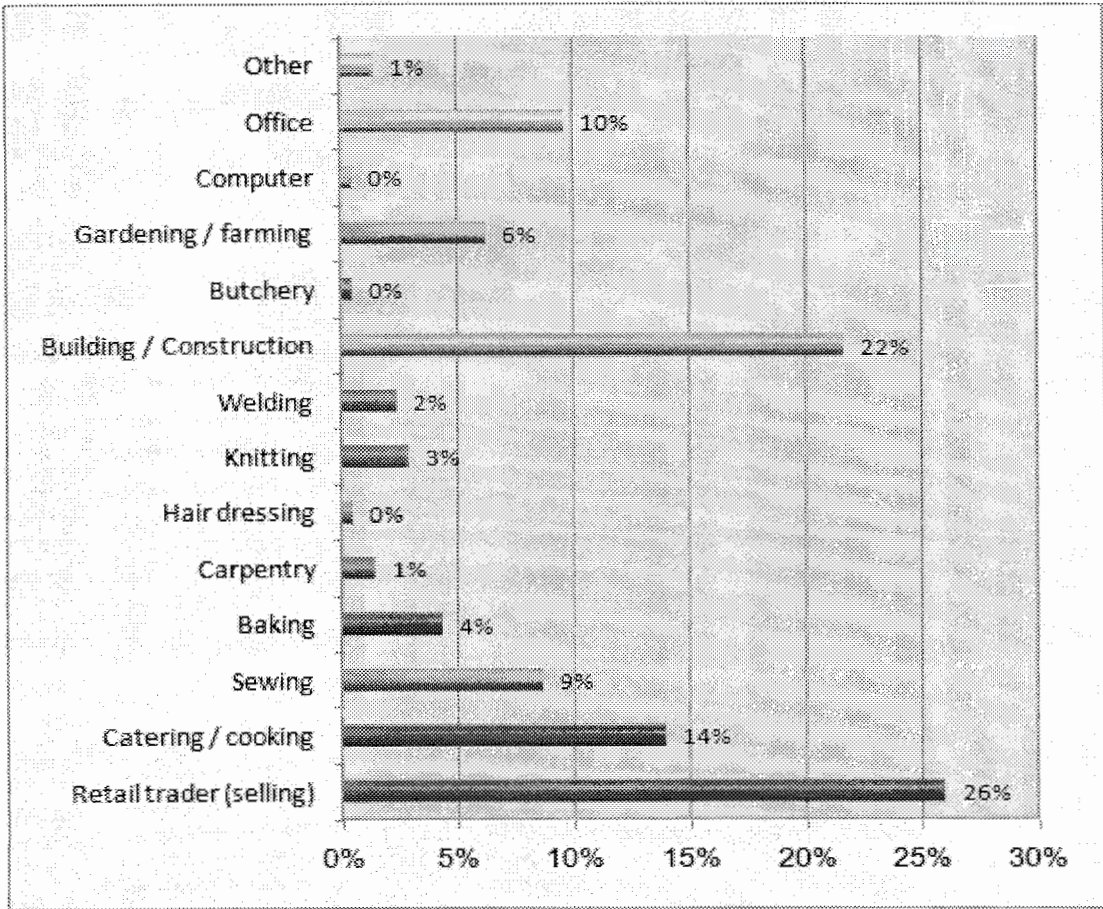
FIGURE 5.15: MINIMUM WAGE BY GENDER



Source: Survey data, 2009.

The unemployed were further asked to list the activities within which they would prefer to start self sustaining activities. If compared with Figure 5.13, it is clear that the skills and preferences of the predominantly 'female' areas match quite closely (27% have skills in these areas and 30% prefer these activities to start self sustaining activities). Concerning the predominantly 'male' activities 34% have skills in these areas, and 31% prefer these activities. Within these 'male' activities, gardening and welding show an average demand of 8%. Those who have trading skills form 21% of the unemployed, while those who would like to be involved in trading forms 26% of the unemployed. The unemployed preferred self sustaining activities are shown in Figure 5.16.

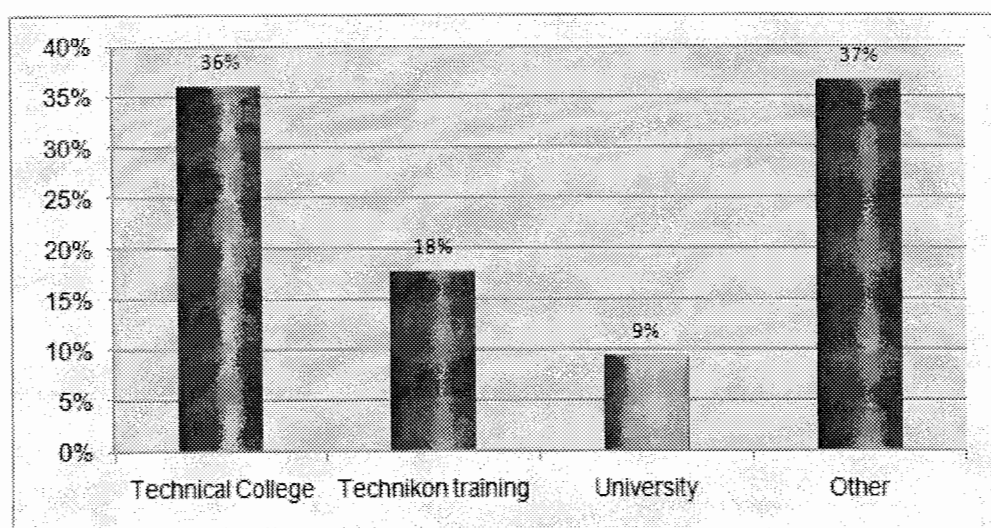
FIGURE 5.16: UNEMPLOYED PREFERRED SELF-SUSTAINING ACTIVITIES



Source: Survey data, 2009.

Almost all unemployed indicated that they are willing to undergo skills training, or further tertiary training (Figure 5.17); of those who said they are interested in tertiary training, 36% of the unemployed prefer to study at a technical college, with 18% and 9% saying that they prefer a Technikon training and University, respectively. 37% of the population prefer other training institutions; these include skills based training institutions. These were preferred because they are said to offer hands-on practical training which can enhance one's employment chances.

FIGURE 5.17: UNEMPLOYED PREFERENCE TO STUDY FURTHER



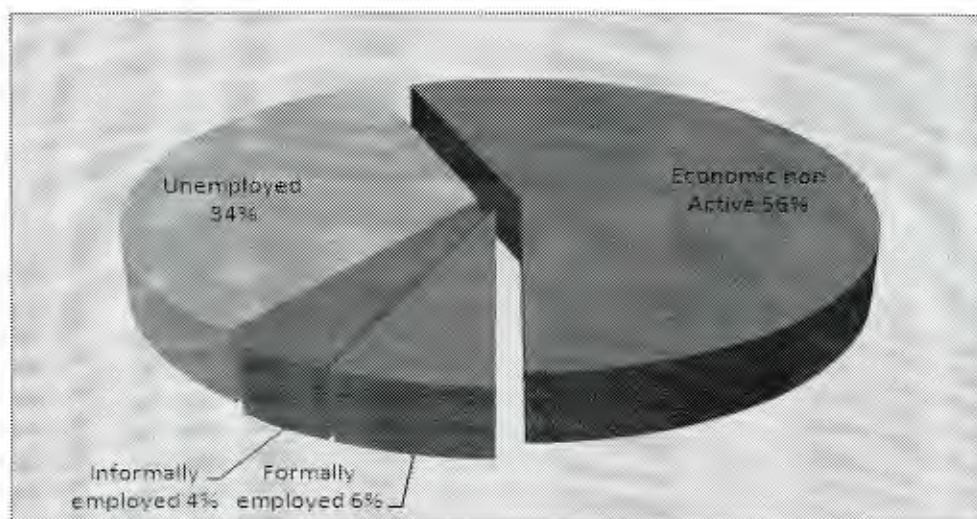
Source: Survey data, 2009.

5.7.2 Profile of the employed

An analysis of the employed section of the population is undertaken in this section. The economic status of the population is represented in Figure 5.18 below. The economically active population/potential labour force, excluding the economically non-active population (the aged, children and those who prefer not to work) is estimated at 44% of the population.

From the total employable population, 79% is unemployed. Of the employed (21%), 15% is employed in formal activities and 6% are informally employed. This might be influenced by the fact that the township is located far away from possible employment opportunities. The township is a semi-rural location surrounded by mostly farms with little economic activity.

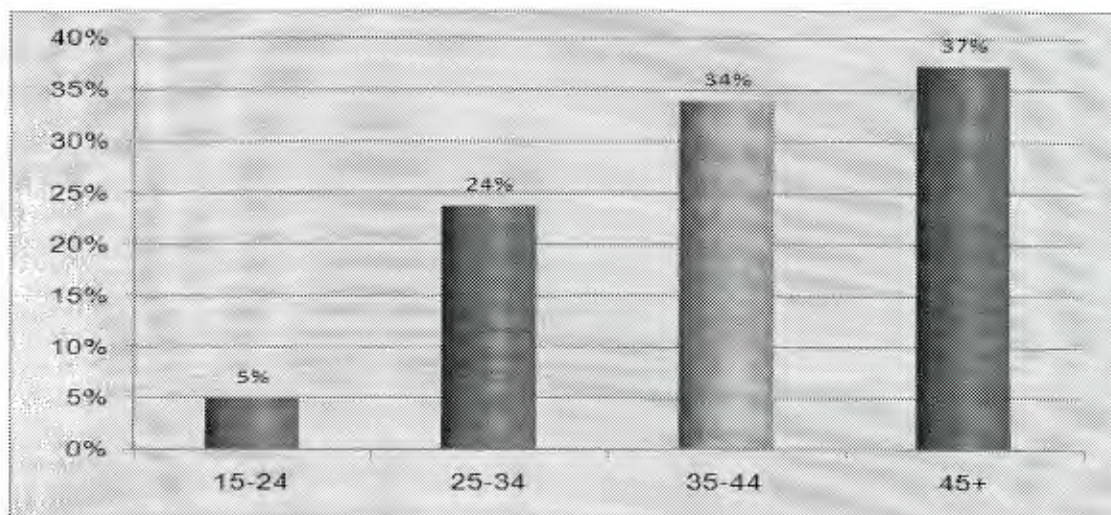
FIGURE 5.18: ECONOMIC STATUS OF THE POPULATION



Source: Survey data, 2009.

Females seem to be the section of the population with less employment opportunities. Of the employed population 37.3% are females, with males making up the remaining 62.7% of the employed population. Figure 5.19 below shows the age distribution of the employed population. A large share of the employed is older than 45 years and 54% of the employed are 45 years and younger. This is in consideration of the fact that 26% of the population is between the age of 20 and 40.

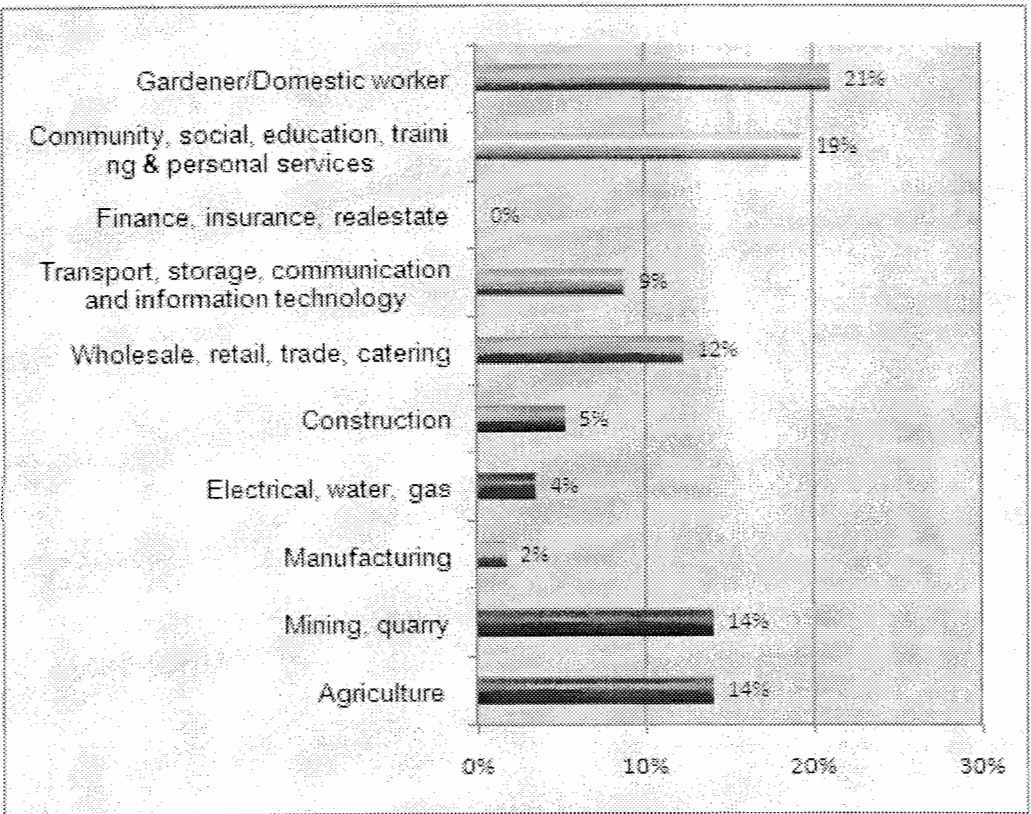
FIGURE 5.19: EMPLOYED POPULATION BY AGE CATEGORIES



Source: Survey data, 2009.

Figure 5.20 shows the employment profile of Kwakwatsi. The figure presents the sectors of employment of the population for the formally and informally employed. This shows a high labour absorption in domestic/gardening services (21%). Employment in this sector in many cases lacks benefits and income growth. Other major sectors of employment are community, social, education, training and personal services (19%); mining/quarry (14%), and agriculture (14%).

FIGURE 5.20: EMPLOYED SECTOR OF EMPLOYMENT



Source: Survey data, 2009.

5.8 INCOME AND EXPENDITURE PATTERNS

5.8.1 Dependency

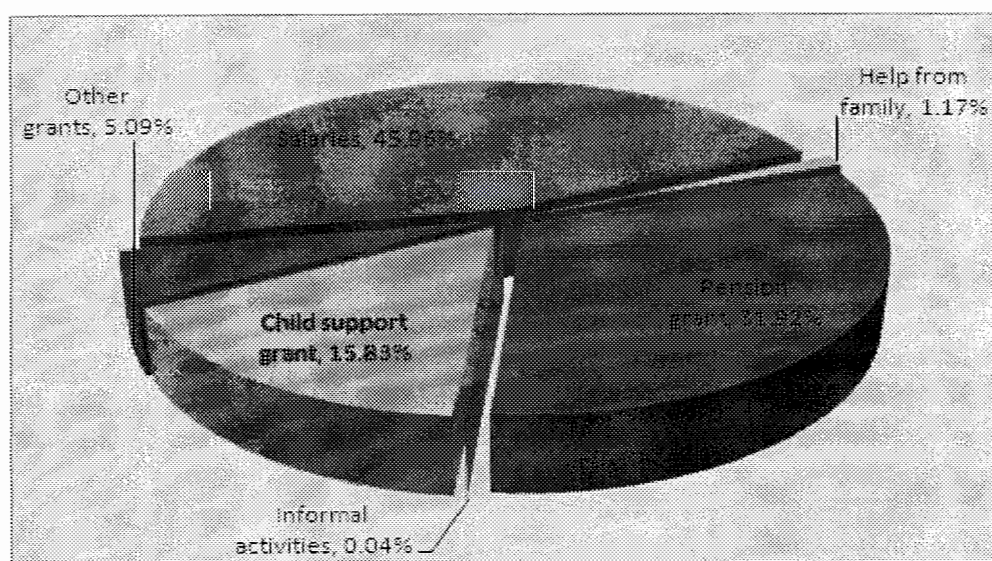
The dependency ratio is calculated by dividing the number of non-income earners by income earners. A high dependency ratio means that on average, an individual income earner supports an increased number of non-income earners. The results of the survey show a dependency ratio of 4. This means that on average each income

earner has to support 4 non-income earners. Slabbert (2009) calculated a dependency ratio of 2 for Bophelong Township, south of Gauteng province.

5.8.2 Income

This section is an analysis of the income of the residents based on survey results. Figure 5.21 shows the sources of income of an average household. Salaries contribute 45.96% to the average household income, informal earnings less than a percentage, pensions are the second highest contributor at 31.92%, the child support grant 15.83% and other grants, subsidies, gifts from family, etc. contribute 6.26% to the household income. The contribution of grants from the government (pension, child grant and other grants) is significant, at 52.84% of the household income.

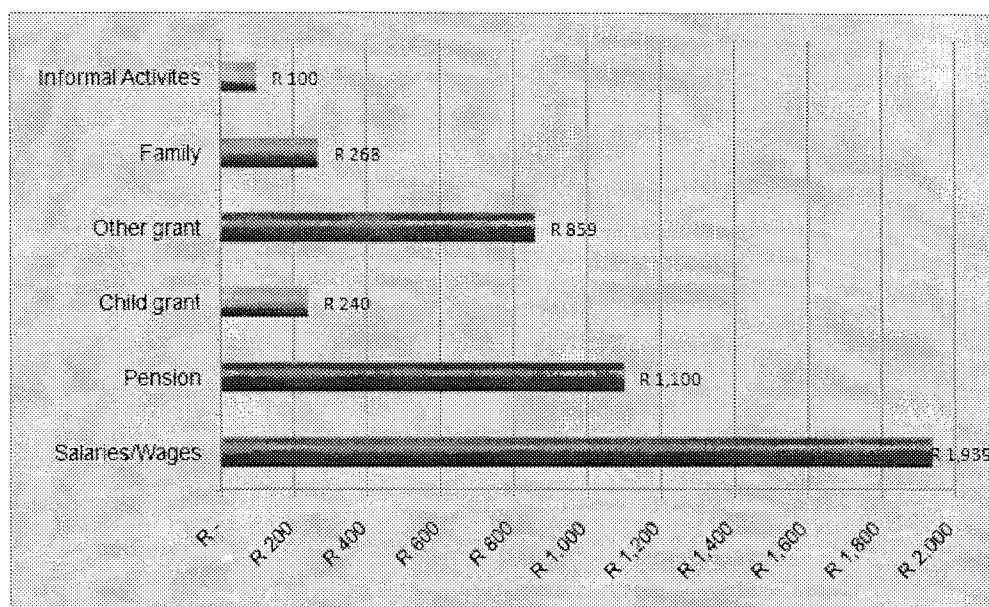
FIGURE 5.21: SOURCES OF HOUSEHOLD INCOME



Source: Survey data, 2009.

The average household income of the sample population is calculated at R1409.01 per month. Figure 5.22 shows the average income per earner in each income source. The figure shows that an average salary/wages earner receives an income of R 1939 per month. An average state old pension grant earner receives R1100, other grants R859 and informal activities R100. Family members play an important contribution to the income source, with an amount of R268 recorded as gifts from family members.

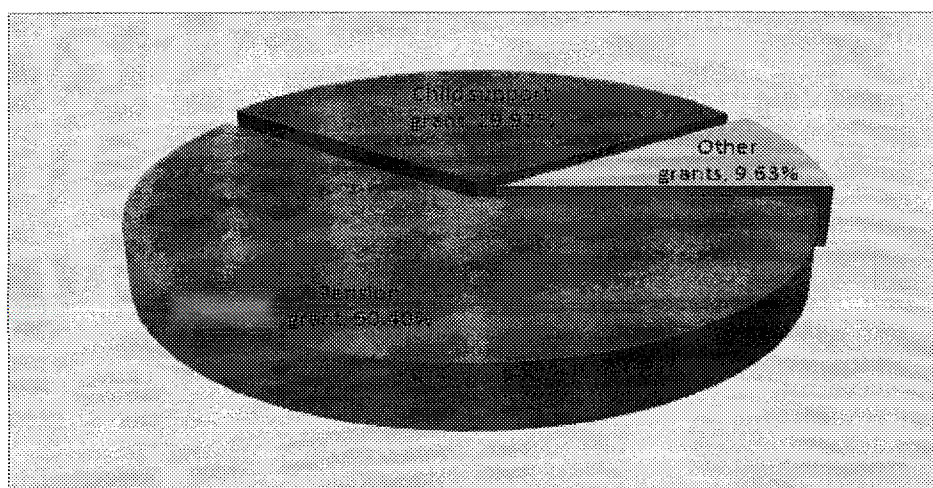
FIGURE 5.22: AVERAGE INCOME PER EARNER



Source: Survey data, 2009.

The government grants make a significant contribution to household income. An analysis of the grants shows that 45.9% of the population depends on the state old age pension grant as the only source of income. An analysis of the contribution of each grant is shown in figure 5.23. The state old pension grant makes a lion's share to the overall grants contribution (60.40%), and the child support grant making 29.97% of receipts from the government. This shows a high dependency on social grants.

FIGURE 5.23: TYPES OF GOVERNMENT GRANTS



Source: Survey data, 2009.

5.8.3 Expenditure patterns

The expenditure patterns of sample population are shown in Figure 5.24. The average household income was calculated at R1409.01. About 33.4% of household income goes to buying food. This makes food the most important expenditure for each household. Slabbert (2004:76) notes that a large percentage of household income in poor communities is spent on food; noting that, an increased expenditure on food and cleaning materials shows an increased depth of poverty. Stats SA's (2008b:3) 2005/2006 income and expenditure survey found housing, water, electricity, gas and other fuels, transport and food and non-alcoholic beverages as the main components of household consumption. The expenditure on food and non-alcoholic beverages amounted to 14.4% of household expenditure. For the black African population, the study found an average monthly food and non-alcohol beverages consumption of 21.4% of household expenditure.

The total expenditure on all items bought by households in Kwakwatsi is summarised in Table 5.3. The table shows the estimated total annual expenditure for Kwakwatsi using the municipality's number of households of 3400, and the sample survey's average household expenditure figures for each item.

TABLE 5.3: TOTAL ANNUAL EXPENDITURE - ALL PRODUCTS		
Item	Percentage	Annual Spend
Water	2.8%	R 1,632,000
Electricity	6.4%	R 3,672,000
Other Energy	5.1%	R 2,936,364
Food	33.4%	R 19,143,360
Cleaning Materials	1.9%	R 1,077,717
Cigarettes & Tobacco	0.9%	R 524,688
Beer, wine & spirits	1.4%	R 816,000
Transport	2.1%	R 1,214,208
Clothing	2.3%	R 1,290,096
School	2.1%	R 1,206,691
Entertainment	2.5%	R 1,428,000
Medical Expenses	2.8%	R 1,621,638
Insurance	6.0%	R 3,425,976
Gambling: Lotto	0.2%	R 88,128
Savings	3.6%	R 2,040,000
Licenses (e.g. TV, Vehicle)	1.2%	R 686,347
Housekeeping Services (e.g. Garden)	4.1%	R 2,331,429
Telephone	0.1%	R 74,256
Cell Phone	2.9%	R 1,681,567
Car Repayment	1.3%	R 720,120
Furniture	3.3%	R 1,868,400
Other	13.7%	R 7,833,600
Total	100.0%	R 57,312,584

Source: Survey data, 2009.

In total all households spend on average R57 million per annum on different household items. Food expenditure remains the highest expenditure with a total annual spending of R 19 million.

The other biggest items are electricity and insurance. Furniture is bought on a lay-by basis, due to the lack of credit worthiness of many households. The households do not have bond costs as many stay in shacks or RDP houses.

A further analysis of the expenditure pattern is undertaken by looking at major items bought in the food category by the sample population (Table 5.4). An average household consumes about 29kg of maize per month, at a cost of R100.86. The next biggest single item is meat/chicken at about R60 per month. Other food items included weekly bought items by an average household.

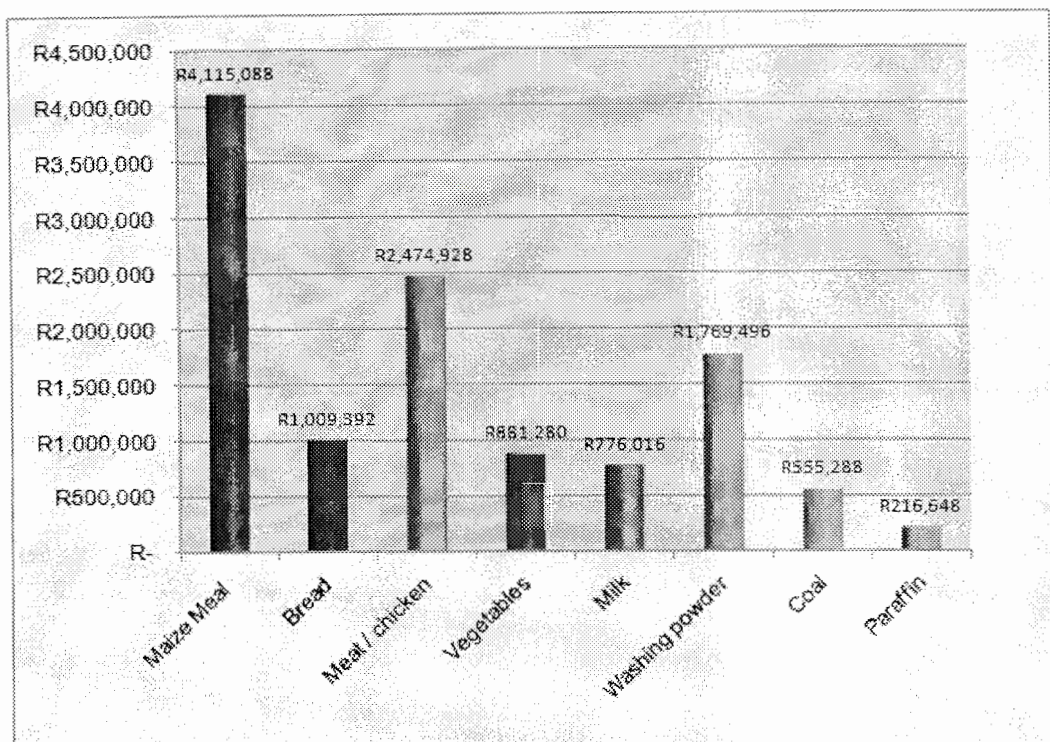
TABLE 5.4: MAJOR FOOD ITEMS AND CLEANING MATERIAL		
Product	Average Kilograms / liters per month	Average Rand per month
Maize Meal	29	R 100.86
Bread	3	R 24.74
Meat / chicken	3	R 60.66
Vegetables	7	R 21.60
Milk	3	R 19.02
Washing powder	2	R 43.37
Other food items		R 198.95
Total		R 469.20

Source: Survey data, 2009.

An estimated annual expenditure on this basic food items for Kwakwatsi is shown in Figure 5.25. The residents of Kwakwatsi consume a total of 98 600 kilograms of maize meal per month, amounting to an expenditure of R343 000 per month (R4.1 million per year). R206 000 is spent monthly on meat (R2.4 million per year), R84 000 on bread (R1 million per year), R73 000 on vegetables (R881 000 per year) and R147 000 on washing powder per month (R1.8 million per year). The total expenditure on these five items amounts to R10.2 million per year, which can provide an ample opportunity for an inward industrialization process, whereby some of these products may be produced by local residents for the Kwakwatsi community.

This would have the effect that money is retained in the area and that a multiplier effect in terms of income and employment would come into effect in Kwakwatsi.

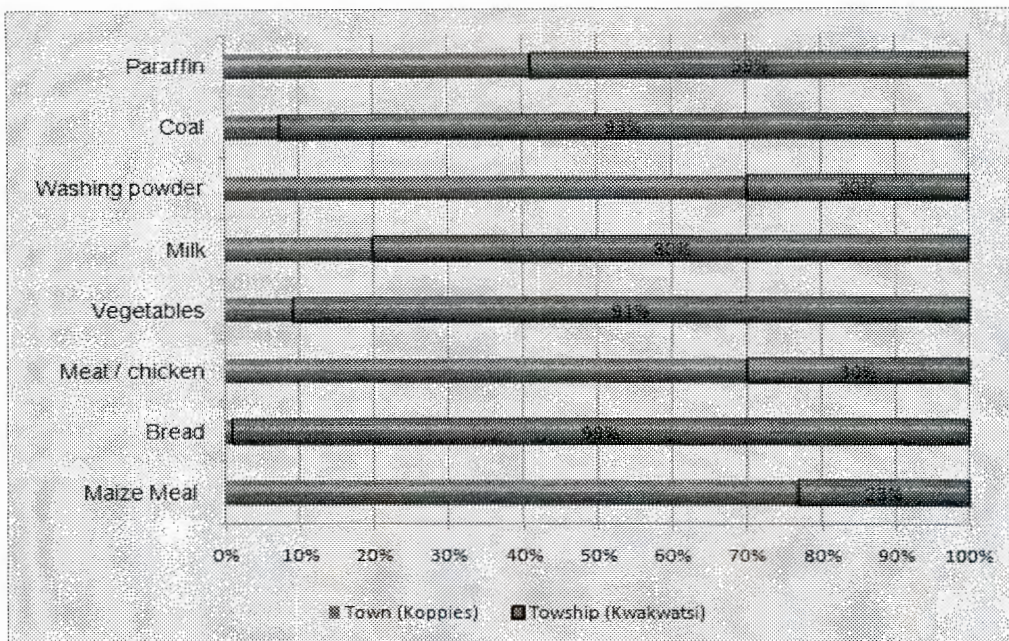
FIGURE 5.24: TOTAL ANNUAL EXPENDITURE ON FOOD ITEMS



Source: Survey data, 2009.

Many of the products listed in Figure 5.25 are not bought within the township (Figure 5.26). The figure shows that 77% of maize, which is the staple food of many households, is bought in Koppies (which is the town outside Kwakwatsi). The same can be said for meat and washing powder. Only 30% of meat consumed by the residents is bought within Kwakwatsi. The items which are mostly bought within the township are paraffin, coal, milk, vegetables and bread. Although these products are bought in Kwakwatsi, none are produced within the area; resulting in an outflow of funds which could have stayed in the township and become further sources for employment generation through the multiplier process.

FIGURE 5.25: PLACE WHERE THE PRODUCTS ARE BOUGHT

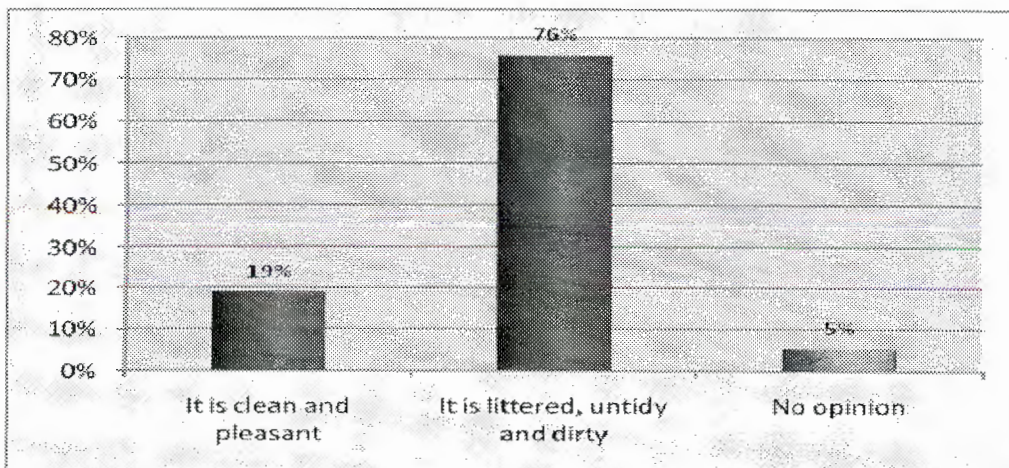


Source: Survey data, 2009.

5.9 ENVIRONMENTAL ANALYSIS

This section analyses the residents' views about their environment. Figure 5.26 shows the opinions of the residents of Kwakwatsi about the state of the environment in terms of littering. 76% regard the environment as littered and dirty. This brings into question health related problems due to the perceived condition of the environment.

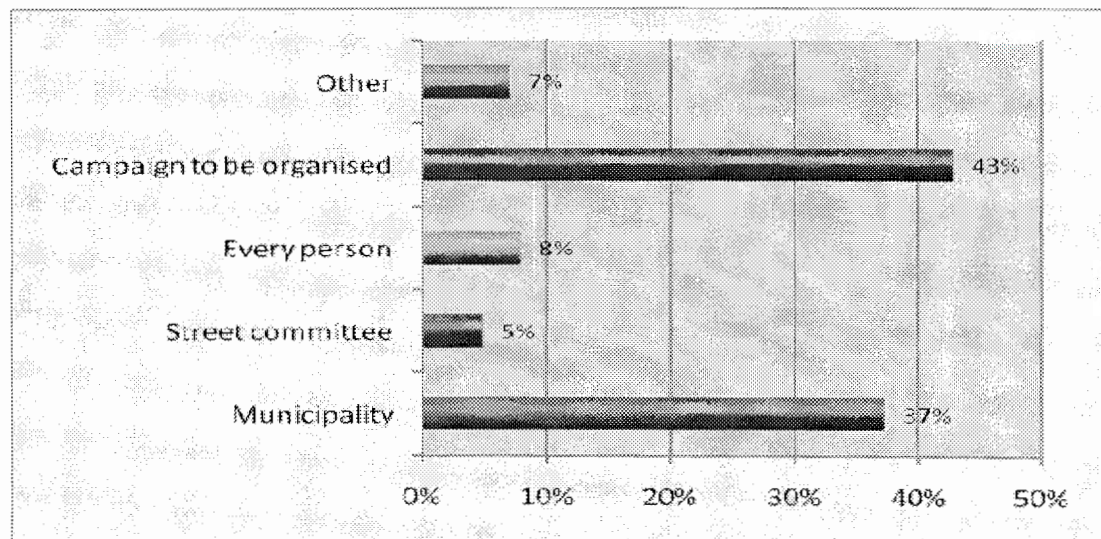
FIGURE 5.26: OPINIONS ABOUT LITTERING



Source: Survey data, 2009.

The greater majority of respondents (77%) feel that something should be done about cleaning the environment, with 23% saying it can be left as it is. On the question of who should be responsible and take the initiative to clean the environment, 37% regard it as the municipality's responsibility as part of their service delivery mandate, and 43% are of the opinion that a campaign should be organised. See Figure 5.27.

FIGURE 5.27: WHO SHOULD TAKE INITIATIVE TO CLEAN ENVIRONMENT

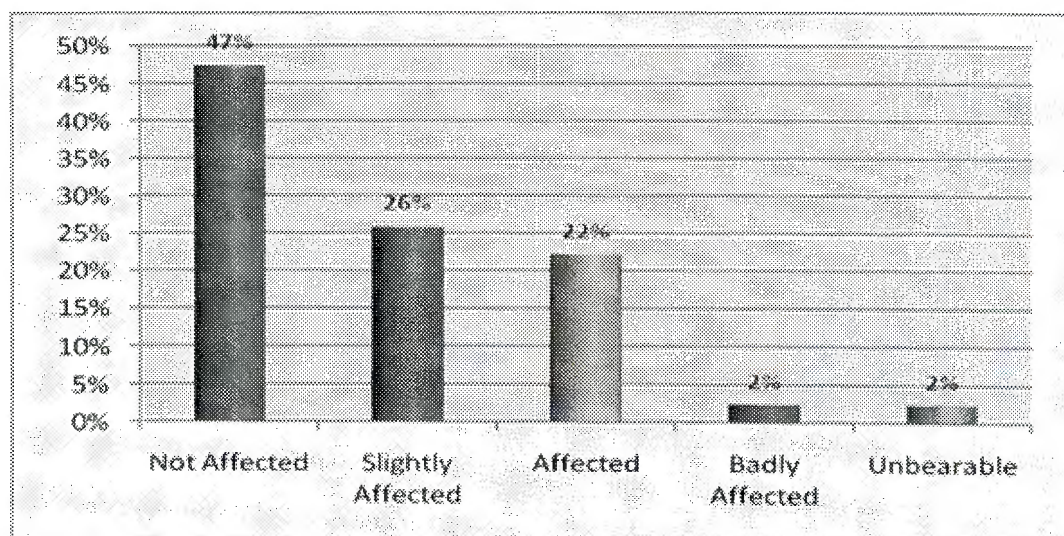


Source: Survey data, 2009

The average monthly rand value attached to a clean environment by households who said that the state of the cleanliness of the environment is appalling is R36 per month. The question asked was "How much will you be willing to pay every month to have a clean environment?" This amounts to about 2% of the calculated average household expenditure for the community.

When it comes to air pollution, 53% of the respondents are affected by air pollution (Figure 5.28). 2% said that the condition is unbearable and 2% saying that they are badly affected. 47% of the population said that they are not affected by air pollution.

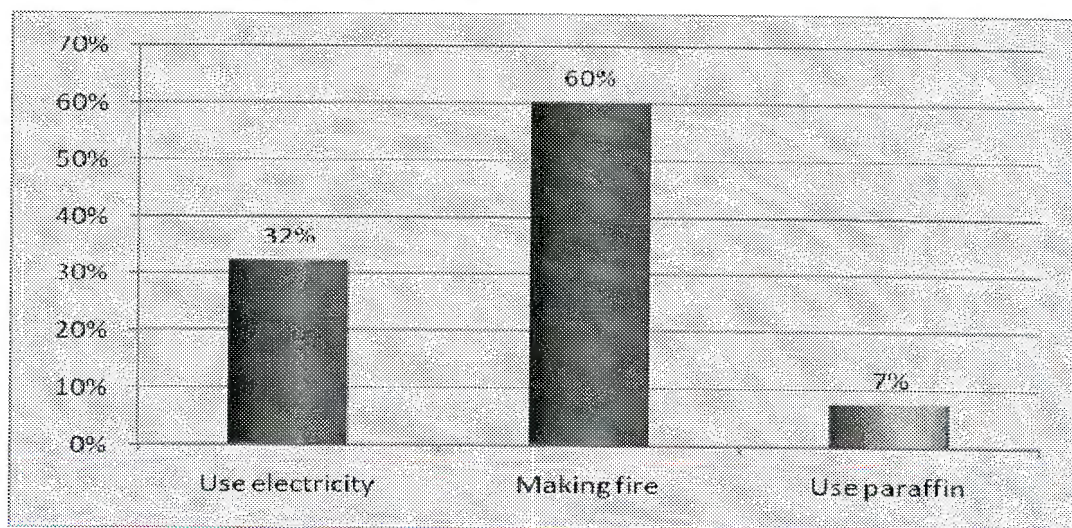
FIGURE 5.28: OPINIONS ABOUT AIR POLLUTION



Source: Survey data, 2009.

Figure 5.29 shows the sources of energy respondents in Kwakwatsi use for cooking and heating. 60% of the respondents make use of a fire for cooking and heating. 32% of all households indicated that they use electricity for cooking.

FIGURE 5.29: SOURCES OF ENERGY

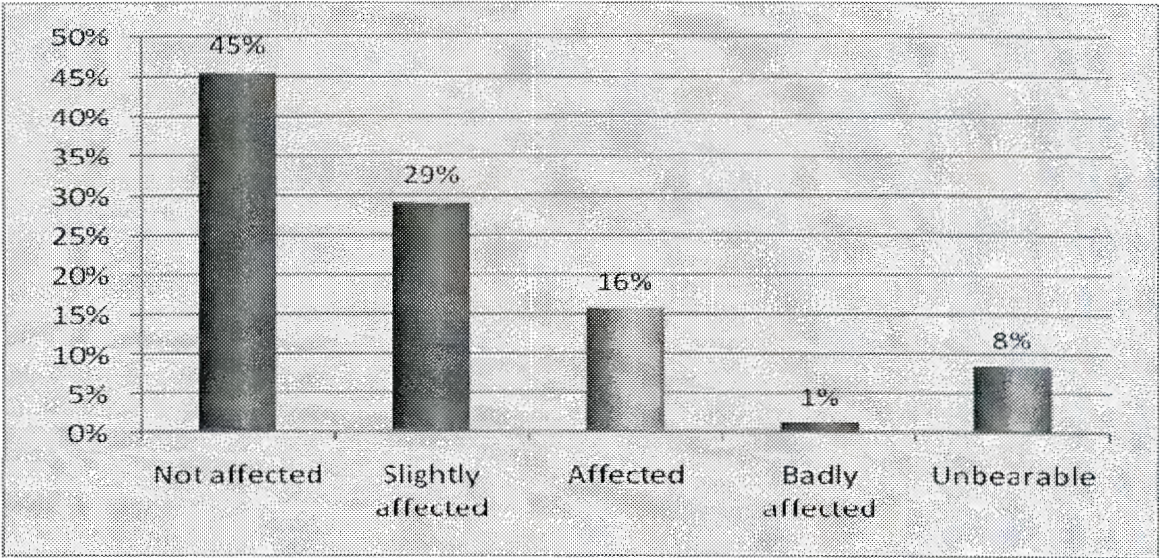


Source: Survey data

According to Figure 5.30, 55% of the respondents indicated that they are affected by noise levels in Kwakwatsi. 16% say that they are affected, with 8% saying it is unbearable.

This noise is said to come from shebeens/taverns which sell alcohol and play loud music to attract customers. On the question of who should take responsibility to maintain acceptable noise levels, 83% of the residents feel that the police should control the noise levels, while 4% is of the opinion feel that this is the responsibility of a street committee. 13% of the population feel that the municipality should control the noise levels. The average monthly Rand value that an average household attaches to a quiet environment is R42.

FIGURE 5.30: OPINIONS ABOUT NOISE POLLUTION

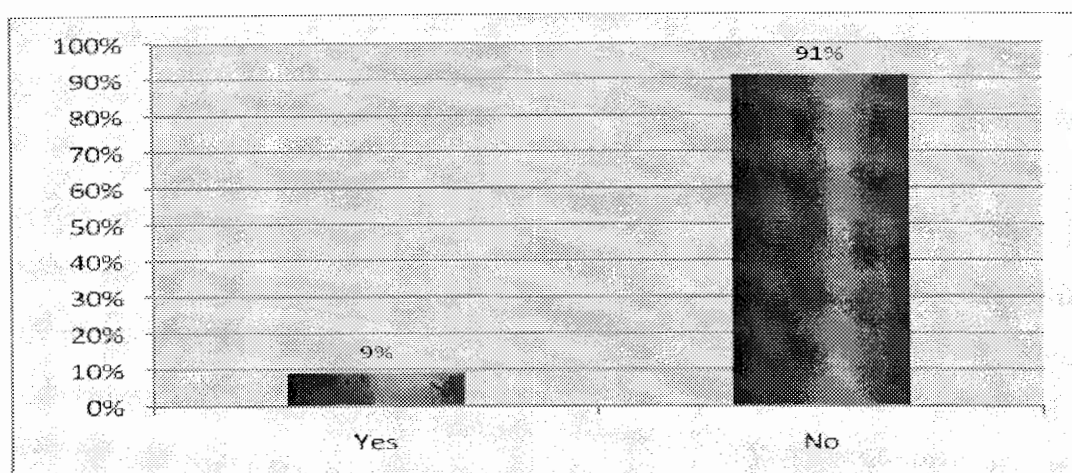


Source: Survey data

5.10 CRIME

When it comes to the analysis of the impact of crime in the area, 9% of the sampled households were affected by crime in the last 12 months. Deducing this figure for the whole of Kwakwatsi implies that 306 households were affected by crime in the last 12 months. This means that roughly one out of every 11 households was exposed to some form of crime or another in the last 12 months. Of those who said that they were affected by crime, 83% was in connection with theft and 17% in connection with assault (Figure 5.31).

FIGURE 5.31: HOUSEHOLDS AFFECTED BY CRIME - LAST 12 MONTHS



Source: Survey data

5.11 SUMMARY AND CONCLUSION

The population size of Kwakwatsi was calculated at 13 226 using the survey data. The average household size for Kwakwatsi was determined at 3.89, compared to a household size of 3 for Ngwathe Municipality (of which Kwakwatsi is part of). There is a low frequency of fathers compared to mothers for the area; 14% and 22% respectively. Kwakwatsi has more females (53.8%) than males (46.2%). Twenty five percent of the population has moved to the township in the last ten years. A literacy analysis of the area shows that 69% of the school going population is still in primary school. With the post school population, only 15% has an education level of grade 12 or higher.

The unemployment rate in Kwakwatsi is calculated at 79% for 2009 and there is on average 1.3 unemployed persons per household, compared to a national unemployment rate of 23.5% for the second quarter of 2009. Of the employed, 15% is formally employed with 6% working in informal activities. The female population is more affected by unemployment compared to males. There seems to be a link between education levels and unemployment for the area; 40% of the unemployed have an education level of grade 7 and lower.

The majority of the inhabitants of Kwakwatsi are economically inactive (56%). The analysis shows a high labour absorption in domestic/gardening services (21%). Other major sectors of employment are community, social, education, training and personal services (19%); mining/quarry (14%), and agriculture (14%). The dependency ratio which shows the number of people dependent on the income of one income earner was calculated at 4. This means that on average each income earner has to support 4 non-income earners. Salaries contribute 45.96% to the average household income, informal earnings less than a percentage, pensions are the second highest contributor at 31.92%, the child support grant 15.83% and other grants, subsidies, gifts from family, etc. contribute 6.25% to the household income. The average monthly household income for Kwakwatsi in 2009 is estimated at R1409.01.

The expenditure patterns of the residents show that 33.4% of household income goes to buying food and cleaning material. This makes food the most important expenditure for each household. The second biggest single expenditure is electricity at 6.4%. The total annual expenditure for Kwakwatsi shows that on average R57 million is spent on different household items per annum. Food expenditure remains the highest expenditure with a total annual spending of R19 million. Furniture is bought on a lay-by basis, due to the lack of credit worthiness of many households. The households do not have bond costs as many stay in shacks or RDP houses.

The majority of the residents (76%) regard the environment as littered and dirty and also feels that something should be done to clean the environment. On the question of who should be responsible or take an initiative of ensuring a clean environment, 37% regard it as the municipality's responsibility as part of its service delivery mandate, and 43% are of the opinion that a campaign should be organised. When it comes to air pollution, 53% of the respondents are affected by it. Of the affected, 2% said that the condition is unbearable and 26% saying that they are badly affected. 47% of the population said that they are not affected by air pollution. The majority of respondents (60%) make use of a fire for cooking and heating. 32% of all households indicated that they use electricity for cooking. When it comes to crime, roughly one out of every 11th house was exposed to one form of crime or another in the last 12 months.