



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

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**LIMPOPO
SOCIO-ECONOMIC REVIEW
AND OUTLOOK**

2018/19

Foreword

The 2018/19 Socio-Economic Review and Overview (SERO) is presented at a time all regions in the World are experiencing positive economic growth for the first time since the global crisis in 2009. This is a very important development that will possibly continue in the short term and can be self-reinforcing. There are however a few risks to this positive growth outlook. The current demand led recovery can experience some supply side constraints in the near future. Concerns have also been expressed about the wave of critique against trade liberalisation and globalization and the resultant move towards protectionism. Although the protectionism will benefit countries like the United States of America in the short term, it will be negative for South Africa and the World Economy in the long term, with a possible negative impact on global trade between countries.

The South African economy continued its relatively low growth performance of the last few years in 2017. Despite the challenges, the economy showed some resilience not to end up in a longer recession. The South African economy stands to benefit from the relatively positive economic outlook in the World economy. Recent political developments in our country have also led to improved sentiment towards South Africa. The exchange rate of the Rand against the Dollar has recently strengthened and recorded the best performance of all emerging countries in the first two months of 2018.

The Limpopo economy has recovered in 2017 to a positive growth performance after the negative growth rate in 2016. The growth in the province will for the foreseeable future be based largely on the performance of the mining industry. The rise in international commodity prices will also have a positive impact on the provincial economy. The higher levels of economic growth are a precondition to address the triple challenge of unemployment, poverty and inequality.



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ABBREVIATIONS

AIDS	-	Acquired Immune Deficiency Syndrome
CDR	-	Crude Death Rate
CPFs	-	Community Policing Forums
CSF	-	Community Safety Forum
CSIR	-	Council for Scientific and Industrial Research
DM	-	District Municipality
ECD	-	Early Childhood Development
EM	-	Emerging Markets
EPWP	-	Expanded Public Works Programme
GDP	-	Gross Domestic Product
GHS	-	General Household Survey
GPs	-	General Practitioners
GVA	-	Gross Value Added
HDI	-	Human Development Index
HIV	-	Human Immunodeficiency Virus
IMF	-	International Monetary Fund
IMR	-	Infant Mortality Rate
IP	-	Industrial Policy
IRR	-	Institute of Race Relations
LDP	-	Limpopo Development Plan
LED	-	Local Economic Development
MACSA		Medical Aid Council of South Africa
NCD	-	Non-Communicable Disease
NDP	-	National Development Plan
QLS	-	Quarterly Labour-Force Survey
SA	-	South Africa
SACC	-	South African Competition Commission
SADC	-	Southern Africa Development Community
SDG	-	Sustainable Development Goals
StatsSa	-	Statistics South Africa

- TB - Tuberculosis
- U5MR - Under-Five Mortality Rate
- UN - United Nations
- USA - United States of America
- UNDP - United Nations Development Programme's
- WHO - World Health Organization's

Introduction

The World Economy continued to grow at more than 3 percent during 2017. The majority of governments have managed to normalize their fiscal policy situation in terms of the ratio of debt to GDP. The debt ratio for many of the countries increased to concerning levels during the 2009 global economic downturn where the fiscus was used to bail out some important financial and other institutions.

The USA managed to enter a sustained recovery after the global crisis. The USA Federal Reserve has started with policy normalization by rising interest rates. The raising of interest rates in America will put pressure on the South African economy as it will lead to an exodus of foreign investments from South Africa to the USA capital market and lower portfolio capital inflows from overseas countries which will lead to the depreciation of the Rand exchange rate.

The South Africa economy continued its subdued growth performance during 2017. One of the key policy issues in South Africa is the views of the credit rating agencies on macro-economic policy. If the rating agencies are not convinced another downgrade can be experienced during 2018, however the recent political developments in South Africa has resulted in positive investor sentiment and this can assist South Africa to reach higher economic growth rates in the future.

The provincial economy also managed to recover in 2017 from the negative 1.6 percent growth rate in 2016. The provincial economy will benefit from the improved national and international outlook, supported by a recovery in commodity prices.

The Limpopo province is still facing the triple challenge of unemployment, inequality and poverty. The key policy to address these challenges is to create higher level of economic growth. The higher growth will lead to higher level of job creation, which in turn will help to address the concerns of poverty and inequality.

CHAPTER 1: Economic Overview

This chapter will provide an overview of the most important global, national and provincial economic developments. A short overview will also be provided on the economic situation in the districts in the Limpopo Province.

1.1. World Economic Outlook

According to the latest International Monetary Fund (IMF) World Economic Outlook published in October 2017, global growth for 2017 was 3.6 percent and it will continue to increase to 3.7 percent in 2018 and 2019. In 2017, advanced economies recorded economic growth of nearly 2.2 percent and it is expected to marginally decline to 2.0 percent in 2018. The World economic growth is significantly boosted by the performance of the Emerging Market (EM) and Developing Economies (DE). EMs, experienced growth of 4.6 percent in 2017 which is 2.5 percentage points above advanced economies. The Sub-Saharan economies have experienced a perennial decline in economic growth from a 7.0 percent growth in 2010 to 2.6 percent in 2017. However, growth in the region is anticipated to reach 3.4 percent in 2018.

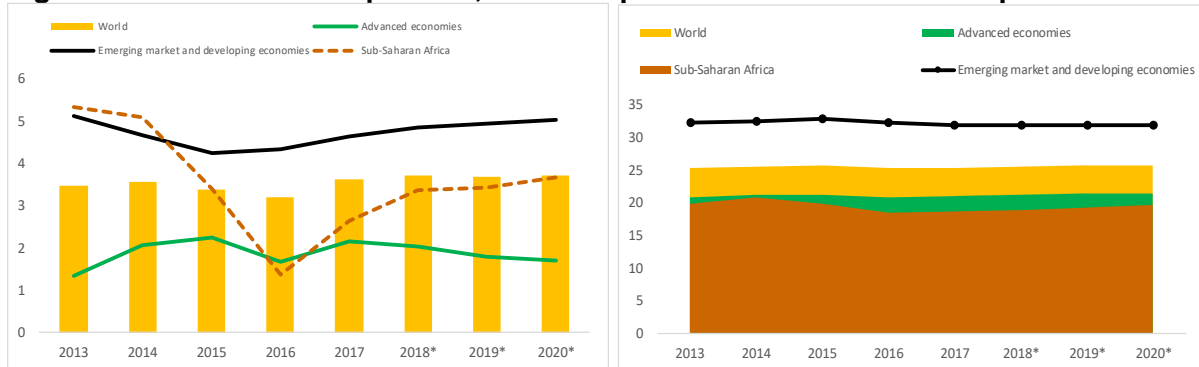
Worth noting, is that these forecasts appear to be rather uncertain in light of the potential changes in the policy stance of the USA including a rapid shift toward protectionism. The fear exists that the new wave of protectionism in the world will be bad for global trade. It is generally agreed that free trade and trade liberalization contributed significantly to global economic growth.

In addition, terrorism and geo-political tensions like civil war and domestic conflict in the Middle East and Africa may also negatively affect global market sentiments and economic confidence. The primary force that will boost the overall global outlook during 2018 will come from emerging markets and developing economies.

An increase in trade barriers and regulatory realignments are likely to weigh on global investment and production efficiency, exerting a drag on potential growth in advanced, emerging market, and developing economies. A failure to make growth more inclusive

and the widening of external imbalances in some countries, including the USA, could increase pressures for inward-looking policies. Emerging economies have the highest investment as a percent of GDP. In 2017, the region recorded a ratio of 32.0 percent, followed by advanced countries at 21.1 percent and Sub-Saharan Africa at 18.7 percent.

Figure 1: Gross domestic product, constant prices and Investment as a percent of GDP

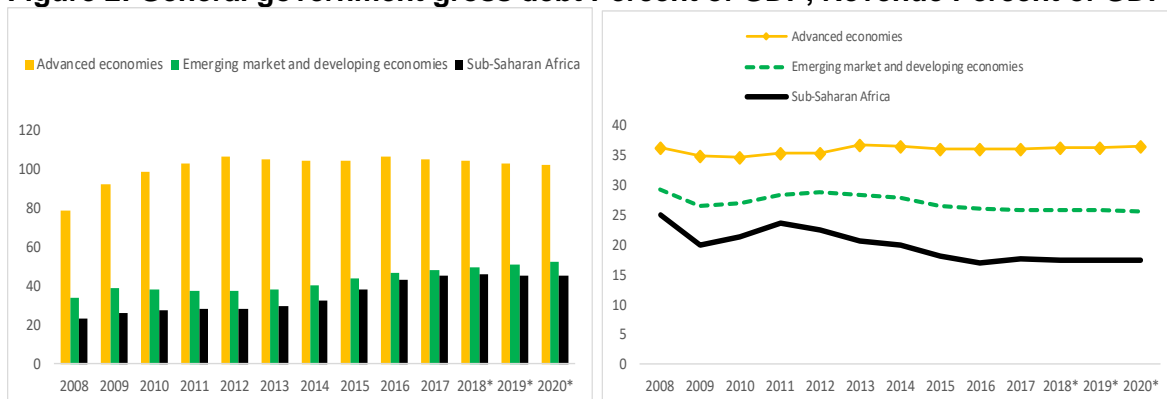


Source: International Monetary Fund (IMF)

1.1.1. Global Fiscal Outlook

The tightening of global financial conditions will have implications for global asset prices and capital flows, leaving economies with high gross debt refinancing needs and unhedged dollar liabilities particularly exposed to financial distress. Advanced economies are highly likely to be exposed as the ratio of general government debt as a percentage to GDP rose from 78.6 percent in 2008 to 105.2 percent in 2017.

Figure 2: General government gross debt Percent of GDP, Revenue Percent of GDP



Source: International Monetary Fund (IMF)

General government revenue as percentage of GDP in Emerging Markets, Developing Economies and Sub-Saharan Africa is gradually declining overtime thereby raising fiscal sustainability risks as these economies are exposed to high volatile financial markets to fund their budget deficits.

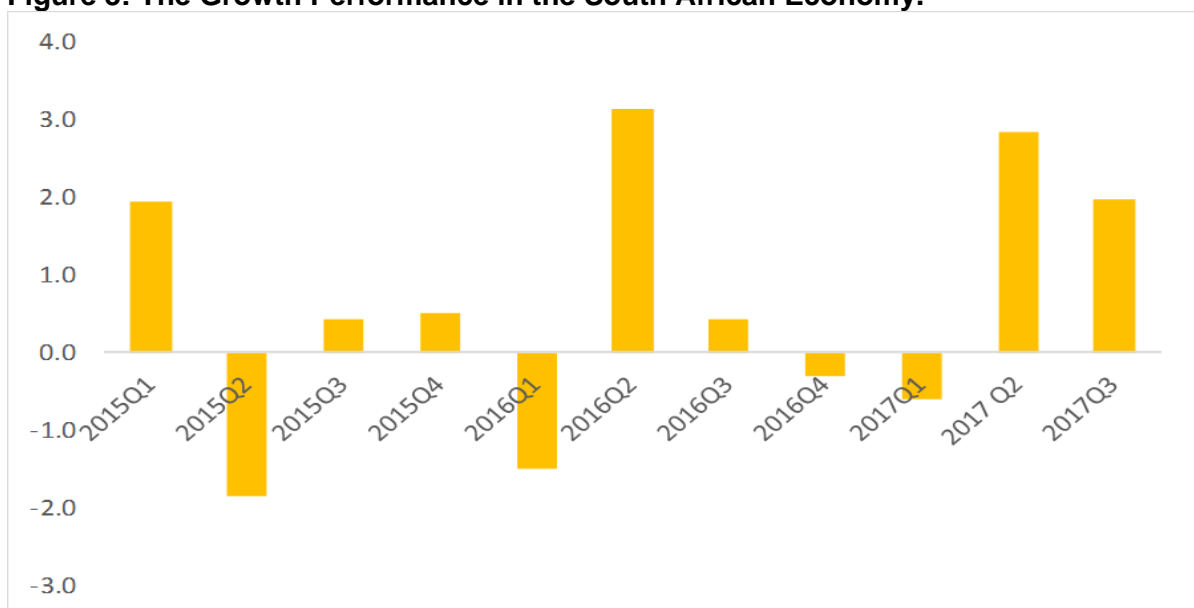
1.2. South African Economic Outlook

The Socio economic outlook in Limpopo is very much dependant on changes in the national economy since national macro-economic policies also has an impact on the provincial economy.

1.2.1. South African Economic Outlook

The South African economy has been growing at a relatively low level in the last few years. The National Development Plan (NDP) has a growth target of 5.4 percent per annum, which is much higher than the actual growth rate that is being experienced. During 2016 the growth rate in the national economy was only 0.3 percent, this will be followed by a growth rate of 1 percent in 2017. The growth performance of the South African economy is indicated in Fig 3.

Figure 3: The Growth Performance in the South African Economy.



Source: StatsSA GDP Q3

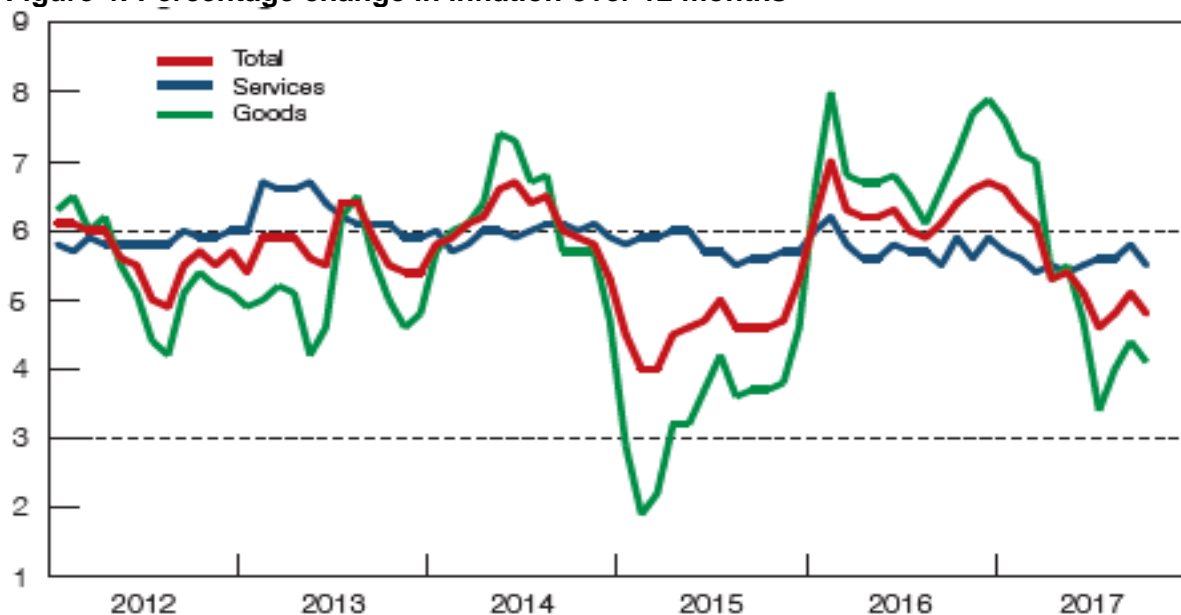
From Fig 3, it is clear that the relatively poor growth performance of 2016 continued with a decline in in the first quarter of 2017. The two consecutive quarters of negative growth caused South Africa to experience a technical recession. The fortunes luckily turned around in the second and third quarters with improved growth performances, mainly due to improvements in the mining and agricultural sectors.

The relative poor growth performance in the South African is expected to marginally improve between 2018 and 2020. National Treasury’s growth estimates in the National MTBPS for 2018 to 2020 is 1.1 percent, 1.5 percent and 1.9 percent respectively. The relatively poor estimated growth can, amongst others, be attributed to the recent decline in the level of total factor productivity growth.

1.2.2. Inflation

The South African Reserve Bank (SARB) is using an inflation targeting regime to determine interest rates, based on the expected changes in the future inflation rate. The target band for inflation is between 3-6 percent. Figure 4 indicates that the inflation rate declined over time to be safely in the middle of the target band at a rate of 4.7 percent in December 2017.

Figure 4: Percentage change in inflation over 12 months



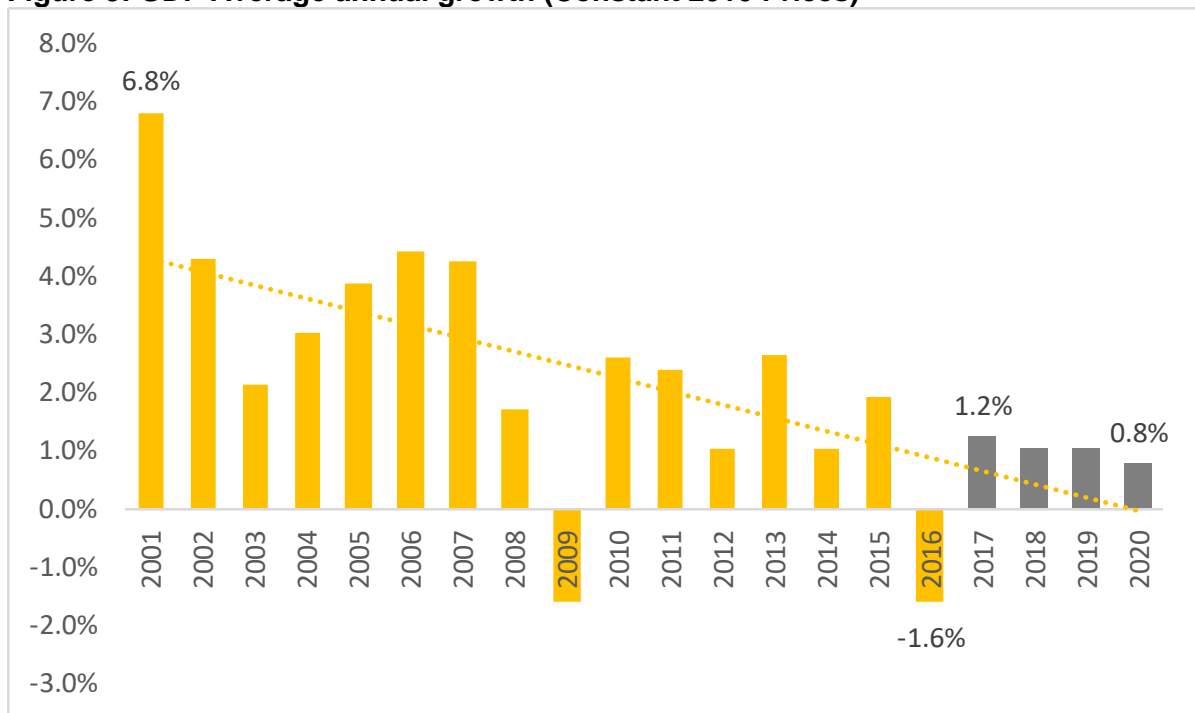
Source: SARB

1.3. Limpopo Economic Outlook

1.3.1. Economic growth in Limpopo

The growth performance of the Limpopo economy is very important to determine the potential to address the triple challenge of unemployment, poverty and inequality. Figure 5 indicates that the growth rate declined to a negative 1.6 percent in 2016 after the positive growth rate of 1.9 percent in 2015. The growth performance of the provincial economy can, to a large extent, be explained by the volatile growth performance in the mining industry and its relative contribution, as a specific sector, to the provincial economy. The mining sector declined by 5.9 percent in 2016 and contributed 1.7 percent to the decline of the economy in 2016, due to the base effects.

Figure 5: GDP Average annual growth (Constant 2010 Prices)



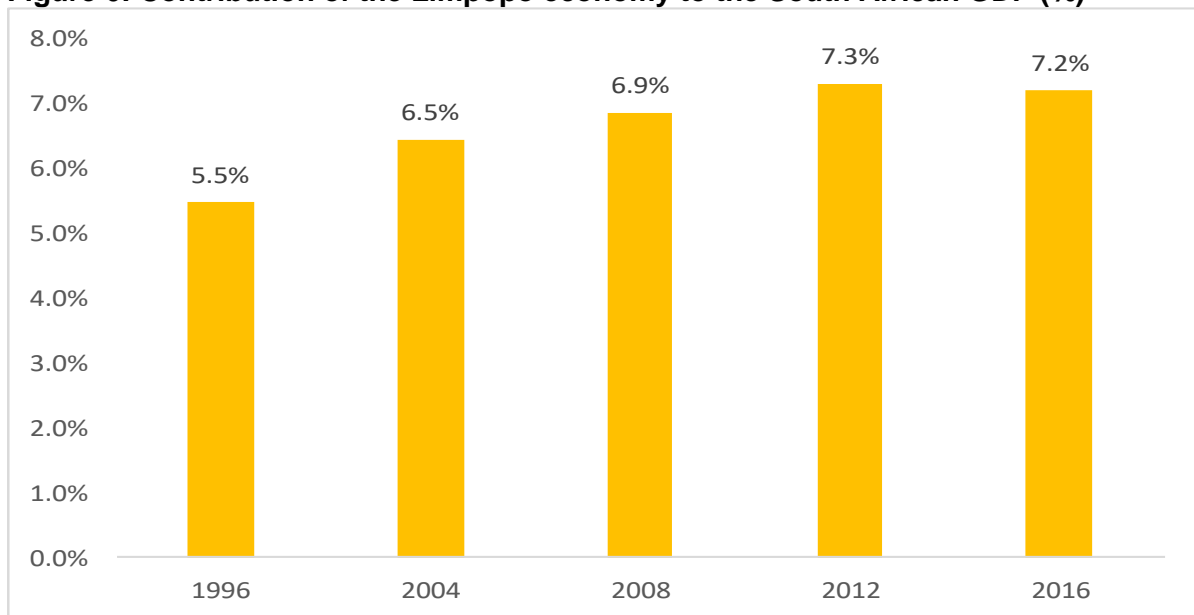
Source: IHS Regional Explorer 2016 (Forecast by Limpopo Treasury)

Limpopo will need to address the volatile growth performance by diversifying the local economy away from its dependence on the primary sector.

1.3.2. The contribution to the national economy

The contribution of the Limpopo economy to the South African GDP is indicated in Figure 6 below:

Figure 6: Contribution of the Limpopo economy to the South African GDP (%)



Source: StatsSA

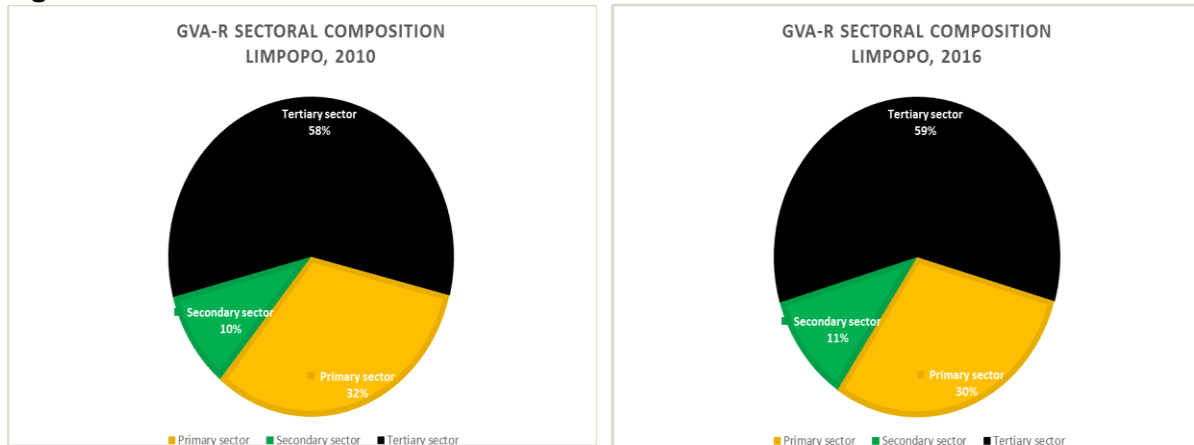
From Figure 6 it is clear that the contribution of Limpopo to the national economy increased from 5.5 percent in 1996 to 7.2 percent in 2016. This increase in the contribution to the national economy can mainly be attributed to the increased contribution of the mining sector in Limpopo to the national output.

1.3.3. The economic structure of the Limpopo Economy

Since 1994 the main contributors to the GDP in Limpopo is the Tertiary sector and the Primary sector, especially mining. The contribution of community services i.e. provincial and local government in the provincial economy should be noted.

The contributions of the different sectors are shown graphically as follows:

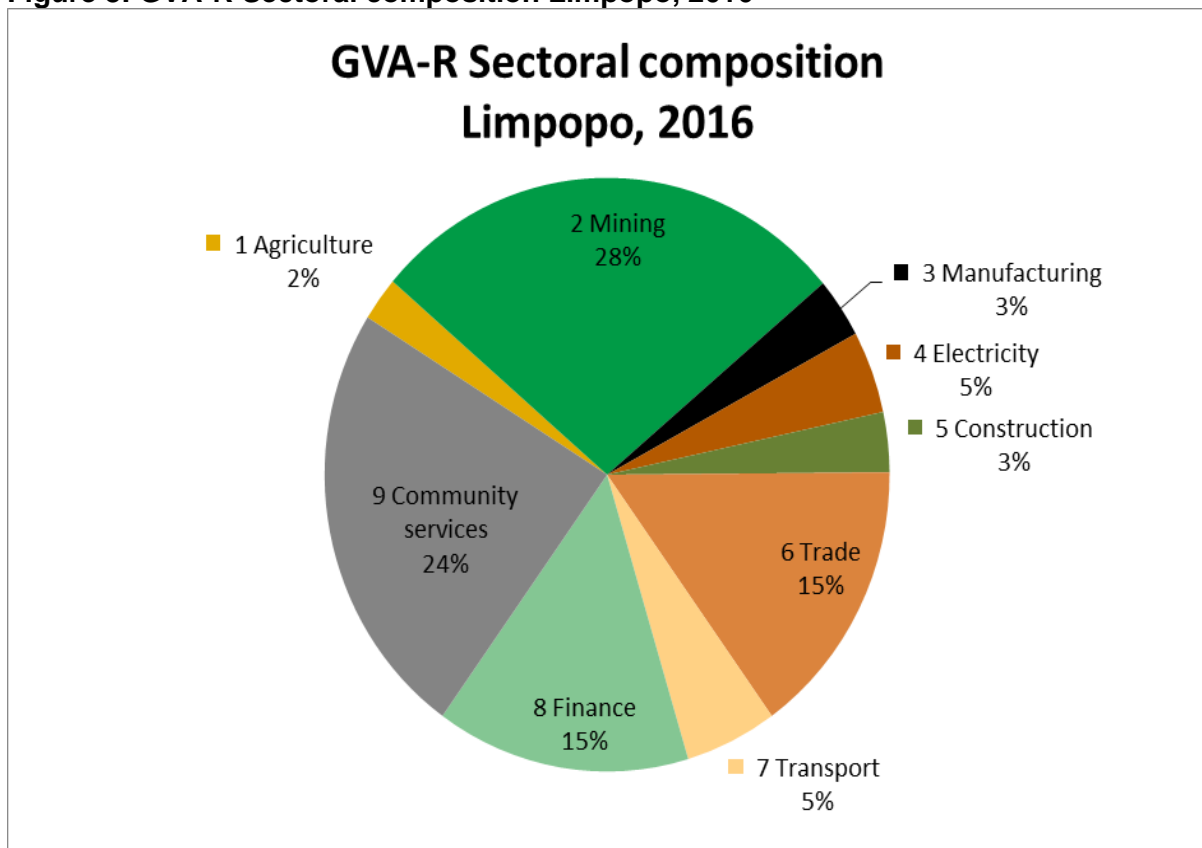
Figure 7: Sector contributions in 2010 and 2016



Source: IHS Regional Explorer

From the two graphs, the contribution of the tertiary sector slightly increased since 2010, from 58 percent to 59 percent while the primary sector decreased its contribution from 32 percent to 30 percent. The secondary sector's relative contribution did not change significantly.

Figure 8: GVA-R Sectoral composition Limpopo, 2016



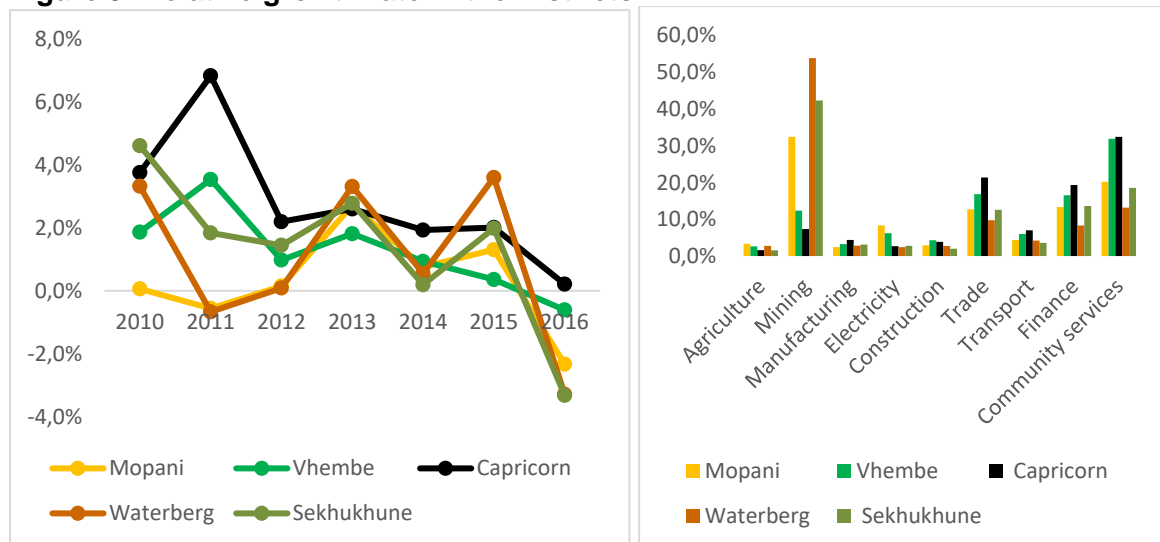
Source: IHS Regional Explorer

Despite the slight improvement in the relative contribution of the services sector since 2010, the Limpopo economy is still very much dependant on the mining sector with the sector contributing 28 percent. The manufacturing sector in the economy is underperforming when compared to national. On a national level the manufacturing sector contributed 13 percent in 2016, whilst the contribution of the sector in Limpopo was only 3 percent.

1.4. District Economic Overview

The relative growth rates in the different districts in Limpopo is indicated in Figure 9 and all the districts showed an economic decline during 2016.

Figure 9: Relative growth rate in the Districts



Source: IHS Regional Explorer

As can be expected mining contributes the biggest share in Mopani, Waterberg and Sekhukhune, while in Vhembe and Capricorn, community services are the biggest sector. Trade and Finance is two of the other sectors that is making significant contributions in most of the districts.

1.5. Conclusion

The current cyclical upswing in the global economy provides an ideal opportunity for reforms, however this should be executed in a manner that it does not deter growth and trade. Furthermore, multilateral cooperation remains vital for securing the global recovery. Geo-political risks will need to be managed to promote free flow of goods, services and people from one region to another.

The national economy has been growing at relatively low rates for the past few years. The expectation is that the situation will continue until 2020. This poor growth performance hampers the achievement of the target to reduce unemployment, poverty and inequality. The situation highlights the importance of stable macro-economic policy to revitalize the confidence in the South African economy.

The provincial economy continues to show some resilience, despite difficult national and international economic developments. The biggest challenge is that the volatile growth performance of the last few years is continuing. The Limpopo economy will be depending primarily on mining as its key economic sector for the foreseeable future. In an effort to achieve a 3 percent annual growth rate the province will need to improve the growth performance of the local economy by diversifying the local economy away from its dependence on the primary sector.

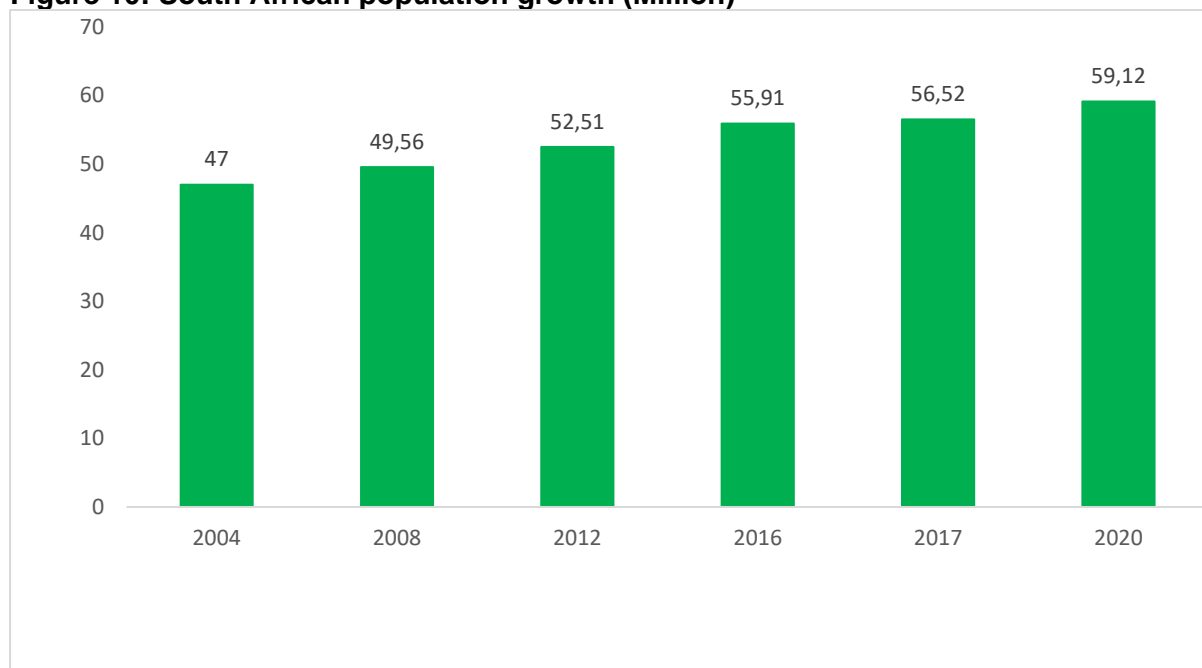
CHAPTER 2: Demographic Profile

2.1. South African Population

According to StatsSA, understanding the population dynamics of a country or a region is not simply a problem of breaking down the numbers. It entails the breakdown and interpretation of these numbers so that an understanding and meaning can be created for policy makers in a particular point in time. For instance, the growth in Africa's population in the last decade has not been accompanied by the necessary structural transformation nor has it translated into equitable human development and improved livelihoods for the people.

Figure 10 below, shows that the South African population has been on a rise in recent years, the national population grew from 47.0 million in 2004 to 56.5 million in 2017. It is projected to grow to 59.1 million in 2020. The growth is stimulated by a number of factors, among others, the increase in life expectancy of the South African population, reduction in mortalities and inward migration from neighbouring countries such as Lesotho and Zimbabwe.

Figure 10: South African population growth (Million)



Source: StatsSA_Mid-year population estimates 2017

The increase in population numbers generates pressures on the limited fiscus in the country, the higher population will increase demand for public goods such as roads, schools and clinics.

The 2017 South Africa's mid-year population is estimated at 56.5 million. The black African population is in the majority at 45.7 million and constitutes approximately 81.0 percent of the total South African population. The white population is estimated at 4.5 million, the coloured population at 5.0 million and the Indian/Asian population at 1.4 million. Just over 51.0 percent (28.9 million) of the population is female and 49.0 percent (27.6 million) is males. The table below refers:

Table 1 : Mid-year estimates by population group and sex, 2017

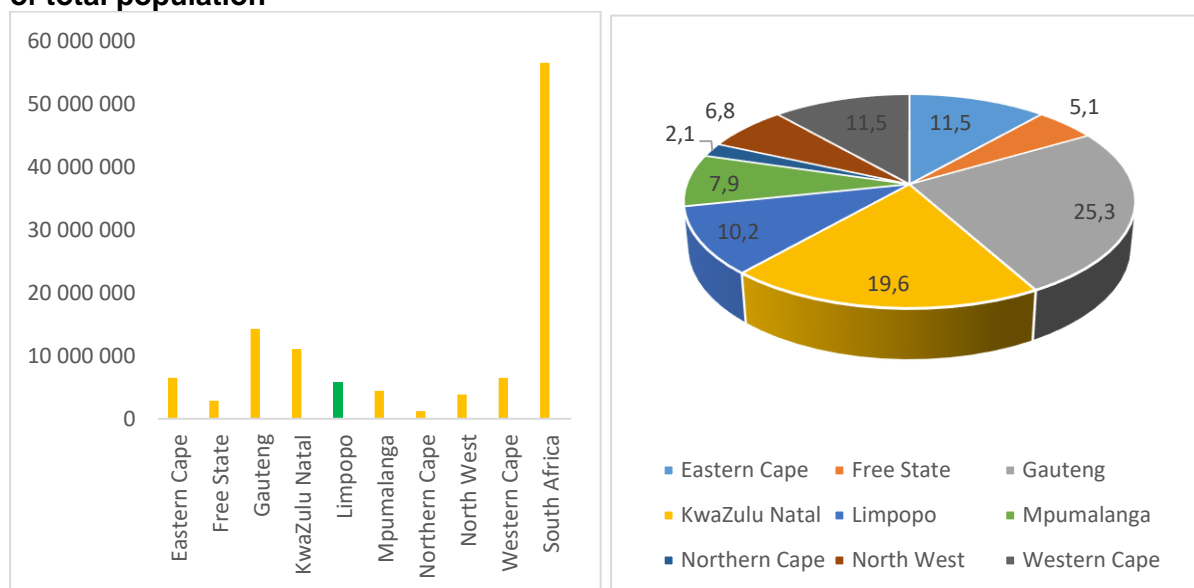
Population group	Male		Female		Total	
	Number	% of total male population	Number	% of total female population	Number	% of total male population
Black African	22 311 400	80,8	23 345 000	80,8	45 656 400	80,8
Coloured	2 403 400	8,7	2 559 500	8,9	4 962 900	8,8
Indian/Asian	719 300	2,6	689 800	2,4	1 409 100	2,5
White	2 186 500	7,9	2 307 100	8,0	4 493 500	8,0
Total	27 620 600	100,0	28 901 400	100,0	56 521 900	100,0

Source: StatsSA Mid-Year population estimates 2017

2.2. Population estimates by province

As indicated below, Limpopo has a population of approximately 5.8 million which represents 10.2 percent of the national population. Limpopo has the fifth largest population in the country after Gauteng with 14.2 million (25.3 percent), KwaZulu Natal with 11 million (19.6 percent), Western Cape with 6.5 million (11.5 percent) and Eastern Cape at 6.4 million (11.5 percent). The province with the least number in terms of population numbers is Northern Cape at 1.2 million (2.1 percent).

Figure 11: 2017 Mid-year population estimates by province and Percentage contribution of total population



Source: StatsSA Mid-year population estimates 2017

Table 2 below shows that the implied rate of growth for the South African population has increased between 2010 and 2017. The estimated annual overall growth rate increased from approximately 1.4 percent between 2010 and 2011 to 1.6 percent for the period 2016 to 2017. The proportion of the elderly population in South Africa is on the increase and this is indicative in the estimated annual growth rate over time rising from 2.6 percent for the period 2010-2011 to 3.0 percent for the period 2016–2017. The annual growth rate among children aged 0–14 increased between 2010 and 2017 from 0.9 percent to 1.6 percent, while the annual growth rate among youth aged 15–34 decreased between 2010 and 2017 from 1.2 percent to 0.2 percent.

Table 2 : Estimated annual population growth rates, 2010–2017

Period	Children 0-14	Youth 15-34	Elderly 60+	Total
2010-2011	0.94	1.24	2.59	1.41
2011-2012	1.23	1.02	2.69	1.45
2012-2013	1.39	0.87	2.75	1.48
2013-2014	1.46	0.78	2.9	1.51
2014-2015	1.44	0.68	2.95	1.54
2015-2016	1.54	0.32	2.98	1.58
2016-2017	1.56	0.18	2.99	1.61

Source: StatsSA Mid-year population estimates 2017

2.3. Estimated provincial migration streams

Inter-provincial, as well as international migration patterns, significantly influence the provincial population numbers and structures in South Africa. From the table below, Gauteng and Western Cape received the highest number of migrants for all periods. The Eastern Cape and Gauteng experienced the largest number of outflow of migrants. Limpopo province recorded the second highest negative net migration of 138 thousand second to Eastern Cape at 324 thousand. During 2017, Limpopo experienced out-migration of 417 000 compared to the in-migration of 278 000: Net Migration of -138 000. A bulk of the migrants is the youth between the ages of 15 – 29 years. This category of people are possibly people with qualifications but failing to get jobs in the province and others may be none economically active people looking for schooling opportunities outside the province.

Table 3 : Estimated provincial migration streams 2016-2021

	EC	FS	GP	KZN	LIM	MP	NC	NW	WC	Out-migrants	In-migrants	Net migration
EC	0	18 240	149 693	100 139	13 830	16 501	7 928	36 915	172 401	515 648	191 435	-324 213
FS	7 952	0	82 409	8 018	6 688	10 359	9 033	23 214	12 434	160 107	147 246	-12 860
GP	49 690	43 374	0	75 313	85 180	82 199	12 552	98 714	97 853	544 875	1 595 106	1 050 230
KZN	23 077	12 012	236 363	0	8 235	32 772	2 788	11 007	34 576	360 830	307 123	-53706.415
LIM	4 652	6 036	307 929	7 754	0	46 279	2 420	30 662	11 722	417 453	278 847	-138 606
MP	4 893	5 553	134 036	13 438	24 972	0	2 471	16 485	10 423	212 271	285 678	73 407
NC	4 501	9 100	18 519	5 834	2 722	4 460	0	13 082	18 614	76 832	82 502	5 670
NW	5 391	12 244	116 633	6 346	20 694	12 362	24 521	0	9 471	207 662	317 261	109 599
WC	52 871	8 353	64 890	14 229	5 842	7 596	13 310	8 742	0	175 831	485 560	309 729
Outside SA	38 407	32 335	484 634	76 054	110 684	73 150	7 478	78 441	118 066			

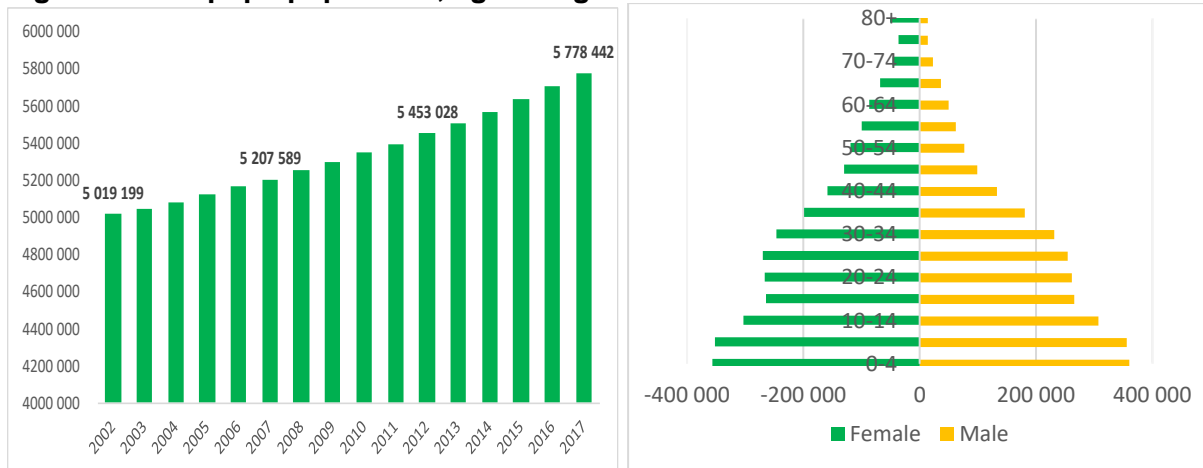
Source: StatsSA Mid-year population estimates 2017

2.4. Limpopo Population

Limpopo province has experienced a positive growth in its population over a period from 2002 to 2017. In 2002 the provincial population was recorded at 5.0 million and it rose by around 800 thousand to 5.8 million in 2017. The increase in the population numbers of 800 thousand will require the province to restructure its budget priorities

as there are more people who will be demanding government services in the province given the high unemployment challenges facing the youth and working age population.

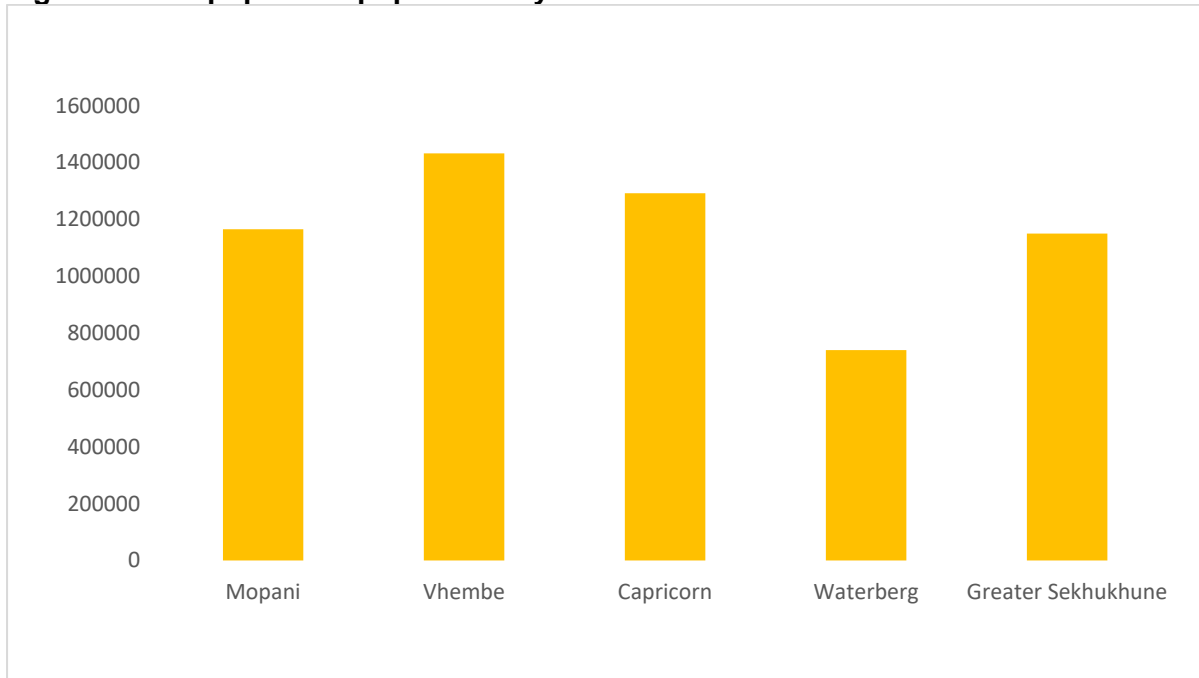
Figure 12: Limpopo population, age and gender



Source: StatsSA Midyear population 2017

The population structure of Limpopo province is skewed towards the youth population. This indicates that the composition of the population is growing especially among infants, teenagers and youth. This raises very important policy questions in terms of government services in general. More investments will be required to ensure that Sustainable Development Goals (SDGs) on access to universal education is achieved. Given the high unemployment rate, child dependency will eventually become state responsibility. Growth in the young population increases the level of total dependency ratio in a country.

Figure 13: Limpopo total population by districts



Source: StatsSA Midyear population 2017

The above diagram shows the provincial population by district, Vhembe (1.43 Million) and Capricorn (1.29 million) are the biggest in terms of the provincial population share, followed by Mopani (1.16 Million), Greater Sekhukhune (1.29 Million) and Waterberg (740 thousand) respectively.

2.5. Conclusion

The provincial demographic profile is composed of the young and working age population with the potential to be productive and contribute towards the growth of the economy. This raises a number of policy concerns on the fiscus to invest heavily towards skills development and sustainable job creation for the working age population. Furthermore, the provincial economy should focus on initiatives that will attract investment to the province through incentives to companies for investment in the economy.

The provincial demographic dividend that is available due to the relative young population shows a great potential for economic gains, which has been termed the "demographic gift". To benefit from the demographic gift, the younger population must

have access to quality education, adequate nutrition and health. For a period of time the high number of youth can be deemed as a burden on society as it increases the dependency ratio, but eventually this group begins to enter the productive labour force. In the process the dependency ratio will decline dramatically, and if combined with effective public policies this can help facilitate more rapid economic growth and put less strain on families and government.

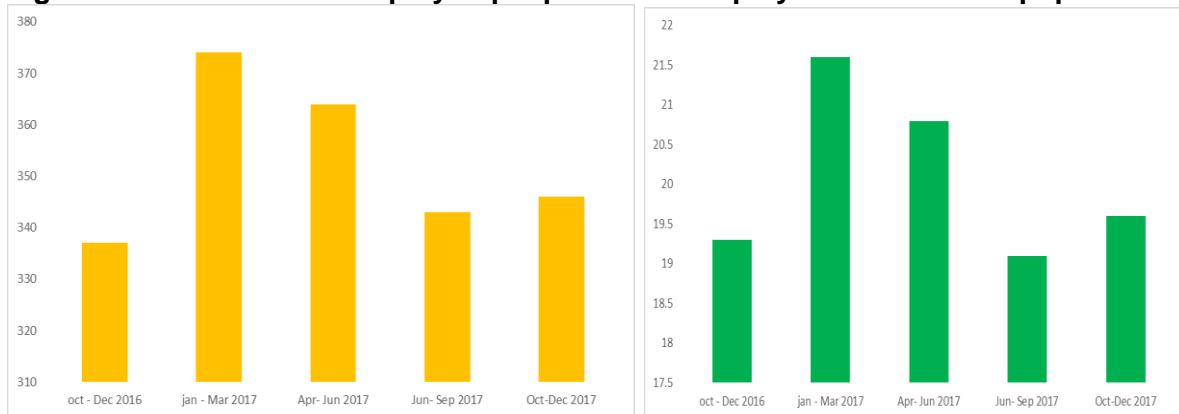
CHAPTER 3: Labour Market

The issues related to the labour market has been identified as key in the South African economy. Since the middle 1990's the South African economy has been plagued by an average national unemployment rate of more than 20.0 percent (based on the narrow definition of unemployment), if the broader definition of unemployment is used, the unemployment rate is closer to 40.0 percent.

3.1. Unemployment

The unemployment rate in Limpopo increased from 19.3 percent in quarter 4 in 2016 to 19.6 percent in the same quarter in 2017. This slight increase in the unemployment rate is seen in the increase in the actual number of unemployed people from 337 thousand to 346 thousand.

Figure 14: Number of unemployed people and unemployment rate in Limpopo



Source: StatsSA QLFS Q4 2017

The increase in unemployment highlights the issues that still needs to be addressed in terms of creating employment. The first issue is to increase the labour force participation and absorption rates in the provincial economy. In the third quarter of 2017 the labour force participation rate¹ was 48.6 percent and absorption rate was 39.3 percent in the province. More than 2 million people were deemed not to be

¹ Employed/labour force ratio

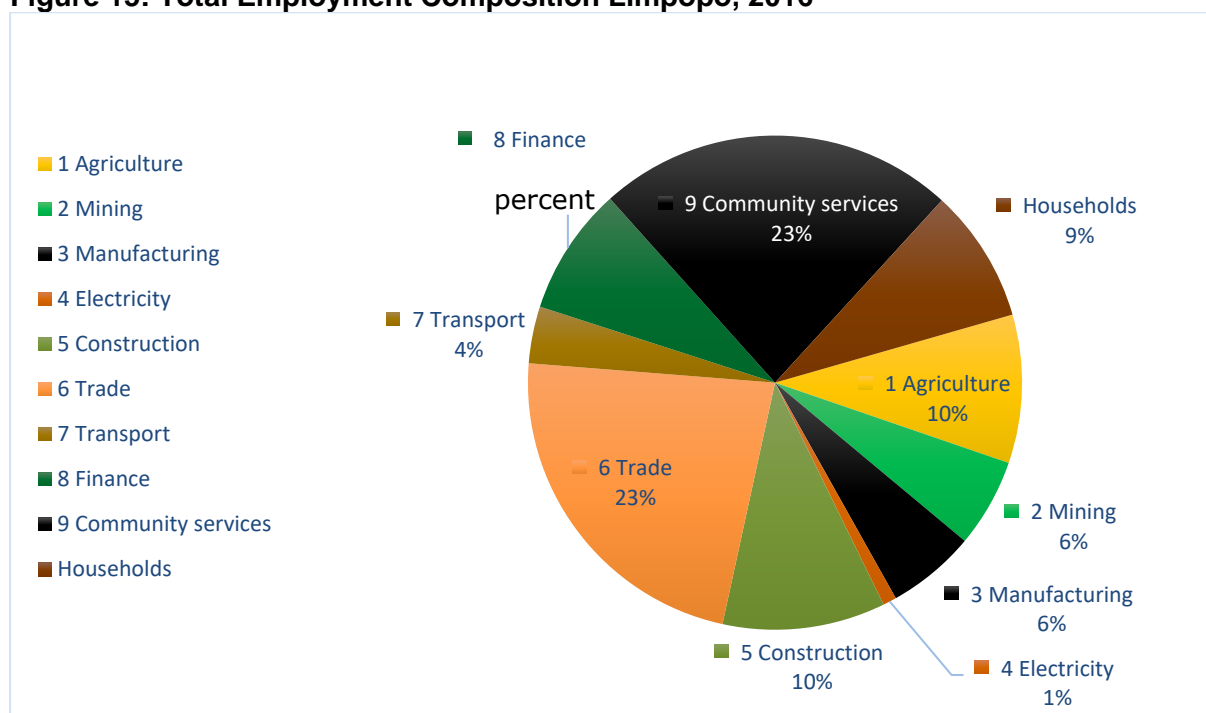
economically active and 377 thousand job seekers deemed to be discouraged and not actively looking for work.

The effort to create jobs in the provincial economy should focus on the promotion of the labour absorbing industries. A major challenge in this regard is the capital intensive nature of mining as a sector which limits the potential to create more jobs. The mines should also commit to employ local labourers in the mines.

3.2. Sectoral contributions to job creation.

The contribution of the different sectors to job creation in Limpopo is indicated in Figure 15. From the pie chart it is clear that the biggest contributors to job creation in the province is Community services and Trade, who combined contribute 46 percent of the jobs. Despite the fact that agriculture is only contributing about 3 percent to the local economy in terms of production, it is contributing 10 percent of the jobs. It can also be concluded that the mining sector is very capital intensive. Although mining contributed 27 percent to GDP in 2016, the sector only contributed 6 percent of the jobs.

Figure 15: Total Employment Composition Limpopo, 2016

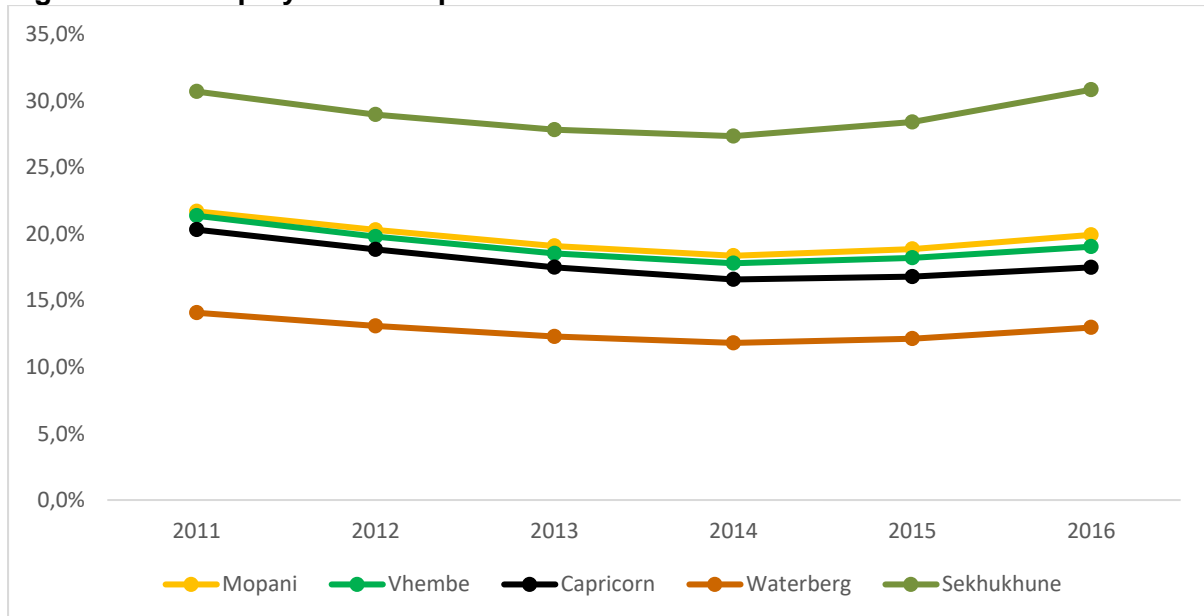


Source: IHS Regional Explorer

3.3. Limpopo unemployment per district

Figure 16 indicates that the Sekhukhune district had the highest level of unemployment in the province in 2016 at 30.8 percent, while Waterberg only had an unemployment rate 13.0 percent at the same period.

Figure 16: Unemployment rate per districts

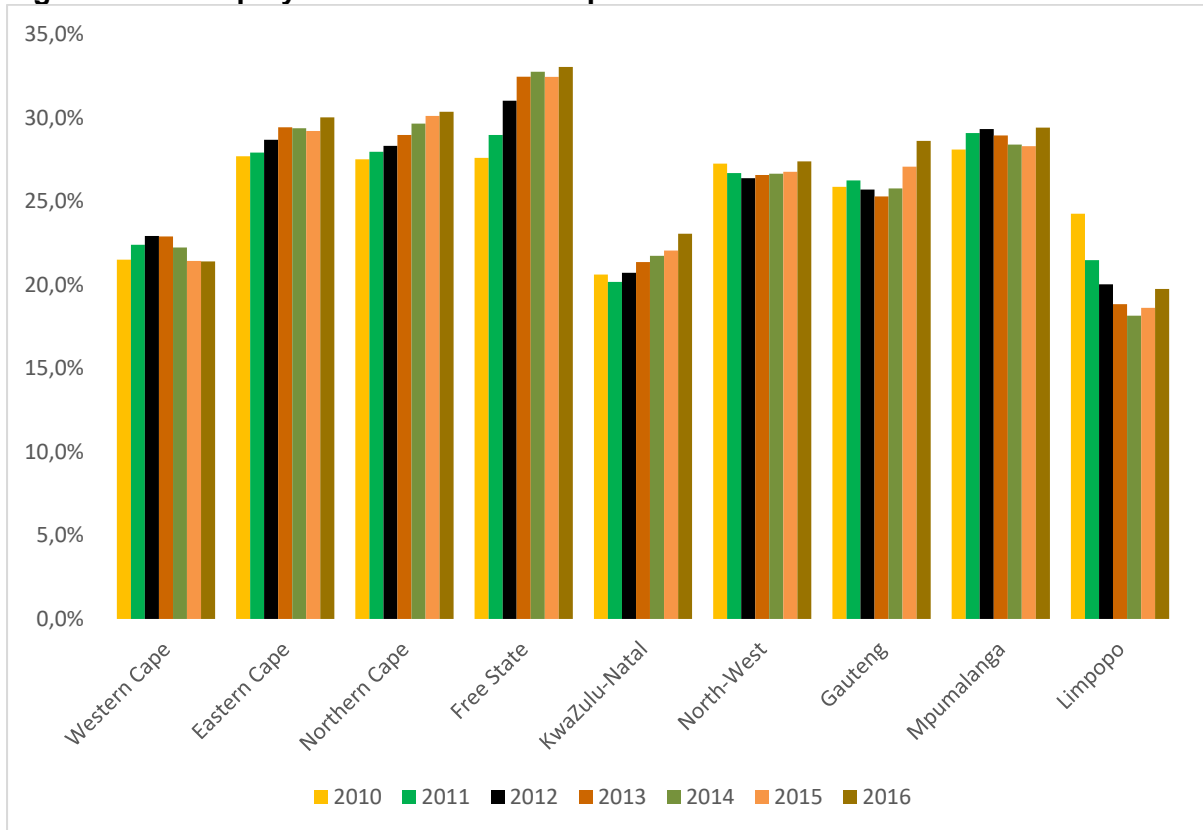


Source IHS Global Insight

3.4. Comparison with other provinces

Figure 17 indicates that overtime the Limpopo province has been the province with some of the lowest unemployment rates, if compared to other provinces. The unemployment rate in KwaZulu Natal, Gauteng, Eastern Cape, Northern Cape North-West and Mpumalanga increased since 2010, while it declined in Limpopo.

Figure 17: Unemployment in the different provinces



Source: IHS Global Insight

3.5. Conclusion

Despite the relative low unemployment rate in Limpopo some challenges still exist in this regard. One of the key issues highlighted in the chapter is the challenge with youth unemployment. The labour force participations and absorption rates for Limpopo needs to be improved to ensure that the economy provides job for the unemployed. It is also important to address the challenge of unemployment in conjunction with other macro-economic challenges like higher economic growth and the skills gap

CHAPTER 4: Health

An insight into the extent of the burden of risk factors affecting health of the population in rural communities of South Africa and the province is crucial for effective planning, advocacy and action. This could mainly contribute to the establishment of concerted and inclusive actions to improve disease management irrespective of the cause by closely linking the development and global health agendas. Surveillance of the major modifiable Non-Communicable Disease (NCD) risk factors in the population is indispensable to the planning, implementation and evaluation of health programmes using good policies. Therefore, this chapter will determine the prevalence of risk factors and to identify their demographic and behavioural determinants in the province. This will range from chronic illness such as HIV/AIDS to depression.

4.1. Chronic Health Conditions

For millions of people in the country and the province, chronic illnesses and depression are facts of life, as they last for a very long time and usually cannot be cured completely. Some illnesses can be controlled or managed through lifestyle (diet and exercise) and certain medications. Examples of chronic illnesses that are highly prevalent in the province include hypertension/high blood pressure, HIV/AIDS, diabetes, asthma, mental illness, heart disease, arthritis, epilepsy, tuberculosis, stroke, cancer, kidney disease, meningitis and sinusitis, pneumonia and bronchitis.

According to WebMD 2018 it is estimated that up to one-third of people with a serious medical condition have symptoms of depression and there is clearly a cause and effect relationship between chronic illness and depression. Serious illness can cause tremendous life changes and limit an individual's mobility and independence leading to lower productivity in the work place. The consequence of these chronic illnesses is lower productivity in the work place. In the end this impacts negatively on economic output and growth. According to a recent study conducted by Occupational Care South Africa and Statistics South Africa it was revealed that an average of 15 percent of employees are absent on any given day.

A study conducted in 51 countries (most of which were developing countries), including South Africa, found that about 15 percent of men and 20 percent of women were at risk for chronic diseases due to physical inactivity. This is despite evidence which clearly indicates that physical activity is critical to improve health and quality of life. The physical exercise should be supported by a healthy diet, no smoking and drinking.

4.2. Place of consultation and Medical Aid Coverage

Statistics which was recently published by the Institute of Race Relations (IRR) show that millions of South Africans are not covered by a medical aid or a basic healthcare provider. According to the report, out of South Africa's population of over 56.5 million people, only 17.1 percent are covered by a medical scheme. This means that only 9.5 million South Africans have access to private medical care while more than 46 million do not have access to these services.

The leading barrier to private healthcare in South Africa continues to be the high price charged by the private health providers and medical aid fees. This lead to millions of South Africans to living without medical cover and putting increasing pressure on the public health system. This in turn also puts more pressure on the provincial budget in Limpopo.

Data provided by government-owned website, www.southafrica.info, reveals that South Africa has over 4 thousand public health facilities, with an estimate of 13 thousand people visiting each clinic. This is extremely high, as the World Health Organization's (WHO) guidelines indicate that visits to public health facilities should not exceed 10 thousand people per clinic.

Here are some other facts about medical aids and healthcare in South Africa:

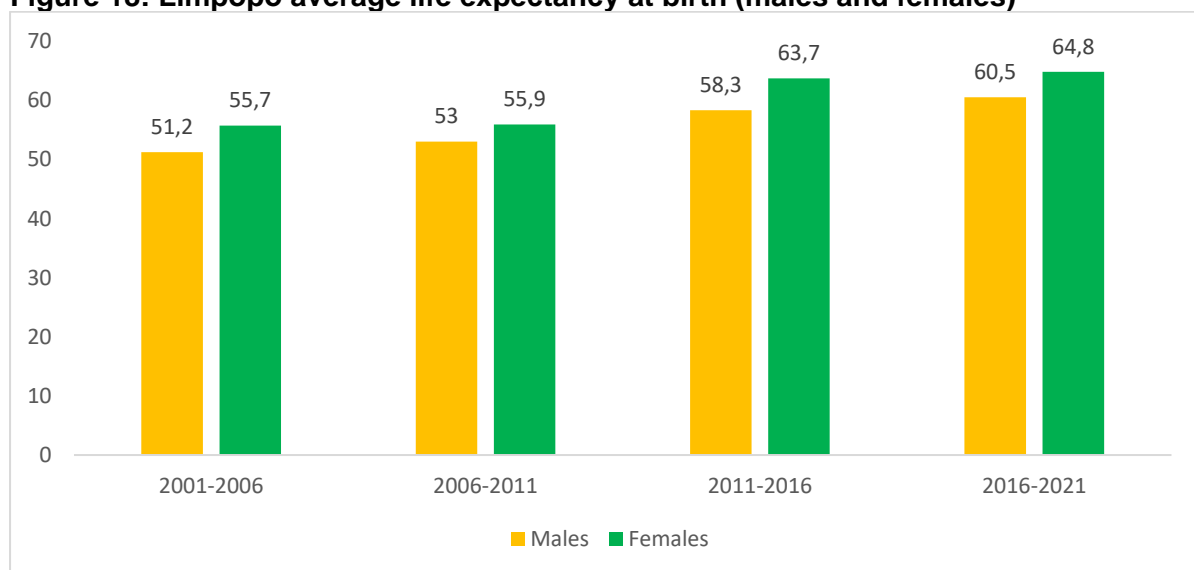
- Only 17.5 percent of South Africans are covered by medical aid. Between 2002 and 2015, individuals who were covered by a medical aid scheme increased from 7.3 million to 9.5 million persons.

- 46 million people are not covered by medical aid.
- The majority of white people in South Africa are covered by medical aid, with 73.3 percent of all whites being subscribed. The Indian/Asian population covered by medical aid is approaching half. The black African population and the coloured population are least covered at 10.6 percent and 19.3 percent, respectively.
- Gauteng has the most medical aid members, with 27.7 percent of the province covered. This is followed by the Western Cape at 24.2 percent. Limpopo is the province with the lowest membership at 8.5 percent. Understandably, medical aid membership is concentrated around metropolitan areas.
- The number of medical aids schemes registered in South Africa are 110, with more than three million principal members.

4.3. Limpopo average life expectancy at birth (males and females)

Figure 18 below shows that the average life expectancy at birth in Limpopo for males and females increased from an average of 51 years and 55 years for males and females respectively for the period between 2001 and 2006 and has increased to an average of 58 and 64 years respectively for the period between 2011 and 2016. It is expected to improve further in the outer years.

Figure 18: Limpopo average life expectancy at birth (males and females)



Source: StatsSA 2017

4.4. The impact of AIDS (using the AIM model)

Table 4 shows the life expectancies that incorporate the impact of AIDS (using the AIM model). The crude death rate (CDR) is down from 11.6 deaths per 1 000 people in 2010 to 9 deaths per 1 000 people in 2017, while the crude birth rate (CBR) has decreased between 2010 and 2017 from 23.9 to 21.3 people.

Infant mortality has declined between 2010 and 2017 as a result of expansion of health programmes to prevent mother to child transmission as well as access to antiretroviral treatment. By 2017 life expectancy at birth is estimated at 61 years for males and 66 years for females. The life expectancy increases may be related to marginal gains in survival rates among infants and children under-5 post HIV interventions in 2005. Infant mortality rate (IMR) has declined from an estimated 41.1 infant deaths per 1 000 live births in 2010 to 32.8 infant deaths per 1 000 live births in 2017. Similarly, the under-5 mortality rate (U5MR) declined from 58.4 child deaths per 1 000 live births to 42.4 child deaths per 1 000 live births between 2010 and 2017.

Table 4 : SA Demographic and other indicators 2010-2017

Year	Crude Birth	Male Life expectancy	Female Life expectancy	Infant Mortality	Under 5 mortality	Crude Death Rate	Rate of natural increases
2010	23.9	56.4	60.6	41.1	58.4	11.6	1.23
2011	23.5	57.6	62.7	39.9	54.4	10.7	1.28
2012	23.3	58.5	63.6	38.8	51.5	10.2	1.31
2013	23	59.2	64.6	37.4	49.1	9.8	1.32
2014	22.7	59.7	65.1	36	47.1	9.6	1.31
2015	22.2	60	65.5	34	44.7	9.5	1.27
2016	21.7	60.6	66.1	33.5	43.6	9.2	1.25
2017	21.3	61.2	66.7	32.8	42.4	9	1.23

Source: StatsSa 2017

4.5. Conclusion

When it comes to issues of health, various studies have concluded that engaging in physical activity is widely recognised as the primary means of preventing chronic diseases, and improvement in treatment and rehabilitation of patients. Moreover, physical activity has beneficial effects on an individual's health and well-being.

CHAPTER 5: Education

Education is considered to be an important key for socio-economic growth and development in a nation. Poverty, armed conflict and other catastrophes keep many children around the World out of school. According to the United Nations (UN), in developing regions, children from the poorest households are four times more likely to be out of school than those of the richest households. However, since 2000, there has been enormous progress on the goal to provide primary education to all children worldwide.

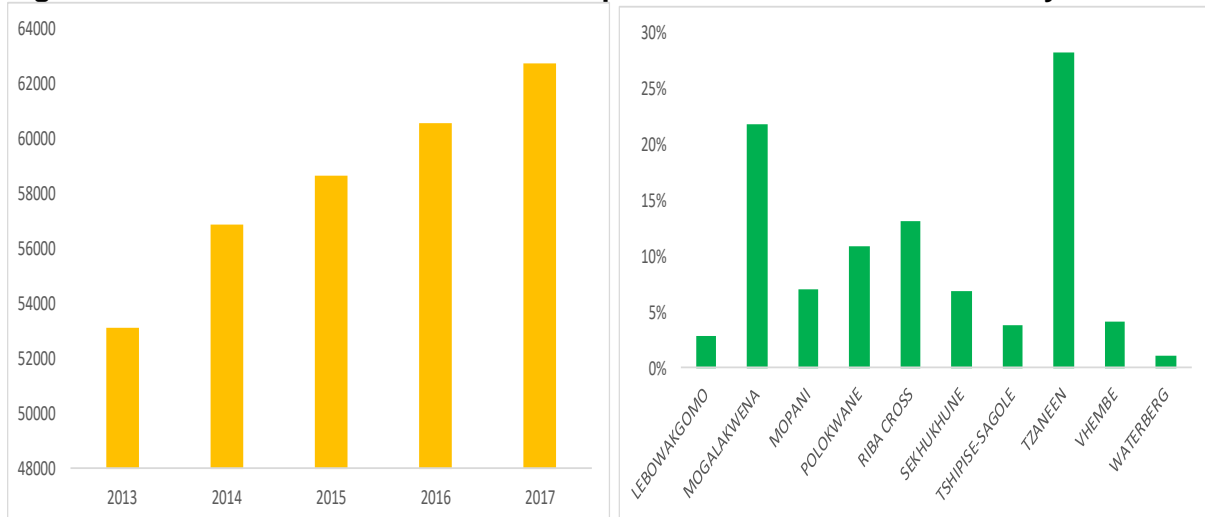
5.1. Learner distribution

The total number of learners enrolled in private and public schools is rising annually between 2013 and 2017 at an average of 4.3 percent and 0.4 percent respectively, which indicates that the demand for private education is rising much faster than that of public education. The Fraser Institute conducted a study into the reasons parents choose private schools. The study found that the main reasons parents chose private school for their children were:

- Smaller class sizes;
- Dedicated teachers;
- Emphasis on academic quality; and
- Safety.

The number of school enrolments in private schools in the province increased from 53 thousand learners in 2013 to 62 thousand in 2017. A sizable number of the enrolments in private schools is in Mogalakwena and Tzaneen accounting for more than 50.0 percent of the total enrolments in private schools.

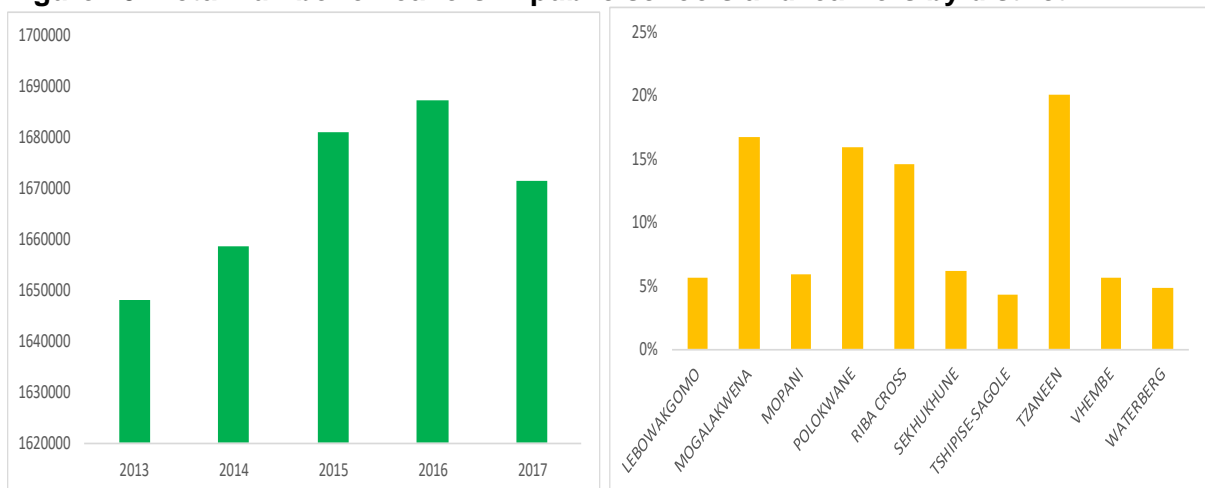
Figure 19: Total number of learners in independent schools and learners by district



Source: Limpopo Department of Education

Total number of enrolments in public schools in Limpopo was on an upward trend until 2016 when the total number of learners was 1.7 million. In 2017, the number noticeably declined by almost 16 thousand learners. A large number of learner enrolments were recorded in Mogalakwena², Polokwane, Riba Cross, and Tzaneen districts with a share of 16.8 percent, 16.0 percent, 14.6 percent and 20.1 percent respectively.

Figure 20: Total number of learners in public schools and learners by district



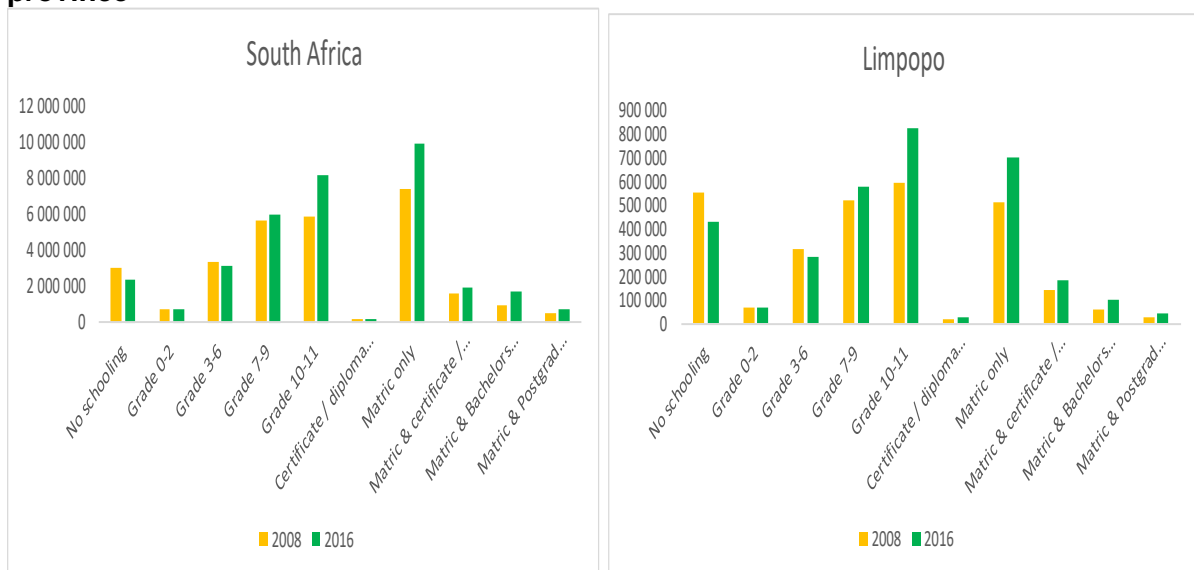
Source: Limpopo Department of Education

² District categories are as per Limpopo Department of Education

5.2. Limpopo highest level of education: age 20+

The cumulative number of people possessing different qualifications in the country is increasing year-on year. The number of people with qualifications up to matric is the highest in the country, in the past 10 years for instance, the number rose from 7.4 million in 2008 to 10 million in 2016. This represents a 35 percent increase. Unlike the national picture, the number of people in Limpopo with Grade 10 and or 11 is higher than any other level of education, this number grew from 594 thousand in 2008 to 827 thousand in 2016. They are followed by people with matric which is at 704 thousand in 2016. The strategic question is whether the province, and the country at large is ready to cater for the growing number of matriculants graduating annually. Research indicates that less than 4 out of 10 learners with matric will get a job in the formal labour market.

Figure 21: Number of people with the highest qualification in South Africa and Limpopo province

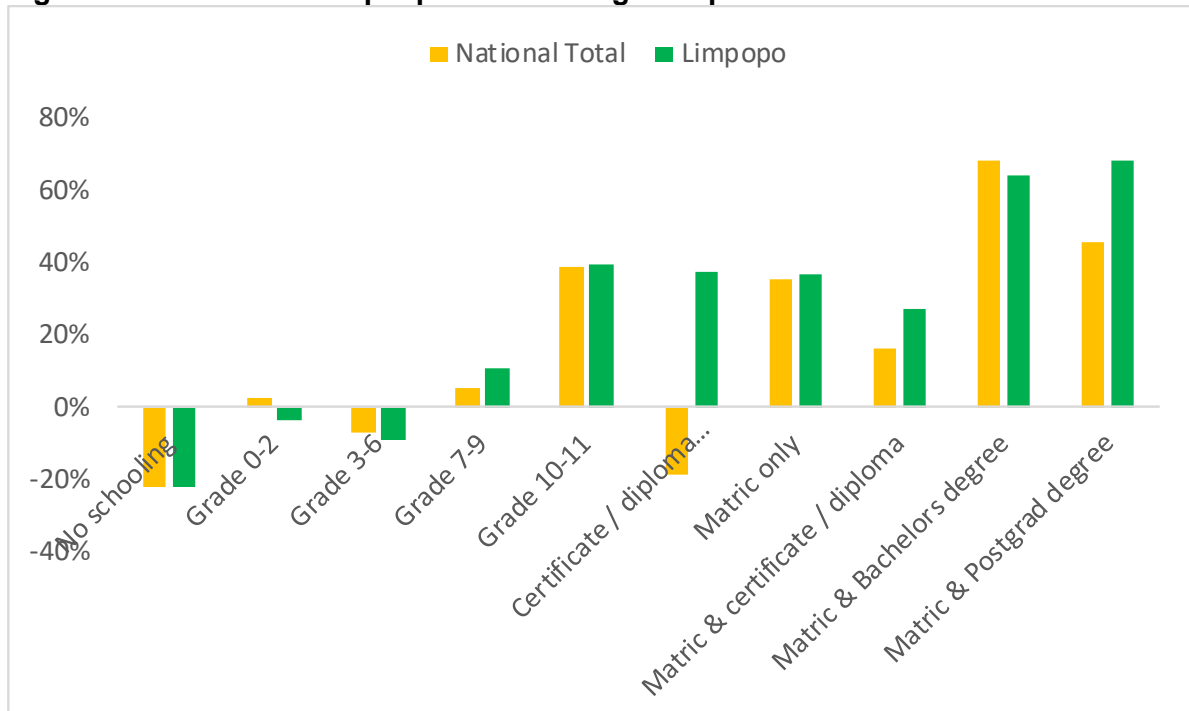


Source: Limpopo Department of Education

The country has experienced a resounding growth rate in the number of people possessing bachelor degrees and other postgraduate degrees. This shows a growing base of specialists in the country, albeit, more technical skills are required in the science fraternity. Although the number of people with post matric qualifications is quite low, the province has experienced a high growth rate in the number of people

with bachelor degrees and postgraduate degrees recording 64 percent and 69 percent respectively. The comparison is for the growth in qualifications between 2008 and 2016. The province has made strides in reducing the number of people who are illiterate from 557 thousand in 2008 to 433 thousand in 2016 representing a decline of 22 percent.

Figure 22: Growth rate of people with the highest qualification in South Africa 2016



Source: Regional Explorer (IHS)

5.3. District highest level of education: age 20+

Over the years, the provincial government has invested significantly in the education fraternity, this is vindicated by the decline in the number of people with no education. The largest reduction in the number of people with no schooling was in Mopani, Sekhukhune and Vhembe reducing by 33 thousand, 30 thousand and 27 thousand respectively between 2008 and 2016. The number of people with matric only are dominant in Capricorn and Sekhukhune district.

Table 5 : Number of people with the highest qualification in Limpopo by district

Category	Mopani			Vhembe			Capricorn			Waterberg			Sekhukhune		
	2008	2016	Difference	2008	2016	Difference	2008	2016	Difference	2008	2016	Difference	2008	2016	Difference
No schooling	140 237	106 700	-33 538	130 034	102 565	-27 469	97 598	83 753	-13 845	57 285	38 460	-18 826	132 374	101 686	-30 689
Grade 0-2	14 158	12 728	-1 430	16 261	15 126	-1 135	13 961	12 862	-1 099	11 875	12 371	497	13 086	13 675	589
Grade 3-6	65 389	56 254	-9 136	70 615	64 540	-6 075	70 124	61 492	-8 631	54 947	51 932	-3 015	55 905	52 466	-3 439
Grade 7-9	106 702	112 245	5 543	125 744	138 613	12 869	118 715	125 633	6 918	80 629	92 877	12 248	89 892	108 358	18 466
Grade 10-11	120 998	161 225	40 227	136 015	183 698	47 683	134 997	177 879	42 882	81 995	118 820	36 825	120 089	186 124	66 034
Certificate / diploma without matric	3 632	3 795	163	4 889	6 800	1 912	4 865	7 727	2 863	2 613	3 732	1 119	2 668	3 563	894
Matric only	98 696	132 014	33 318	119 270	153 418	34 148	138 414	187 072	48 659	73 512	102 845	29 333	84 788	128 945	44 157
Matric & certificate / diploma	27 258	32 859	5 601	32 722	40 863	8 141	42 849	54 312	11 463	19 441	25 100	5 659	19 921	28 106	8 185
Matric & Bachelors degree	12 157	17 781	5 624	16 294	28 890	12 596	21 880	36 575	14 694	7 500	12 360	4 861	7 067	10 927	3 860
Matric & Postgrad degree	4 420	7 407	2 987	6 596	11 038	4 442	8 432	13 871	5 439	3 255	5 361	2 106	2 483	4 795	2 312

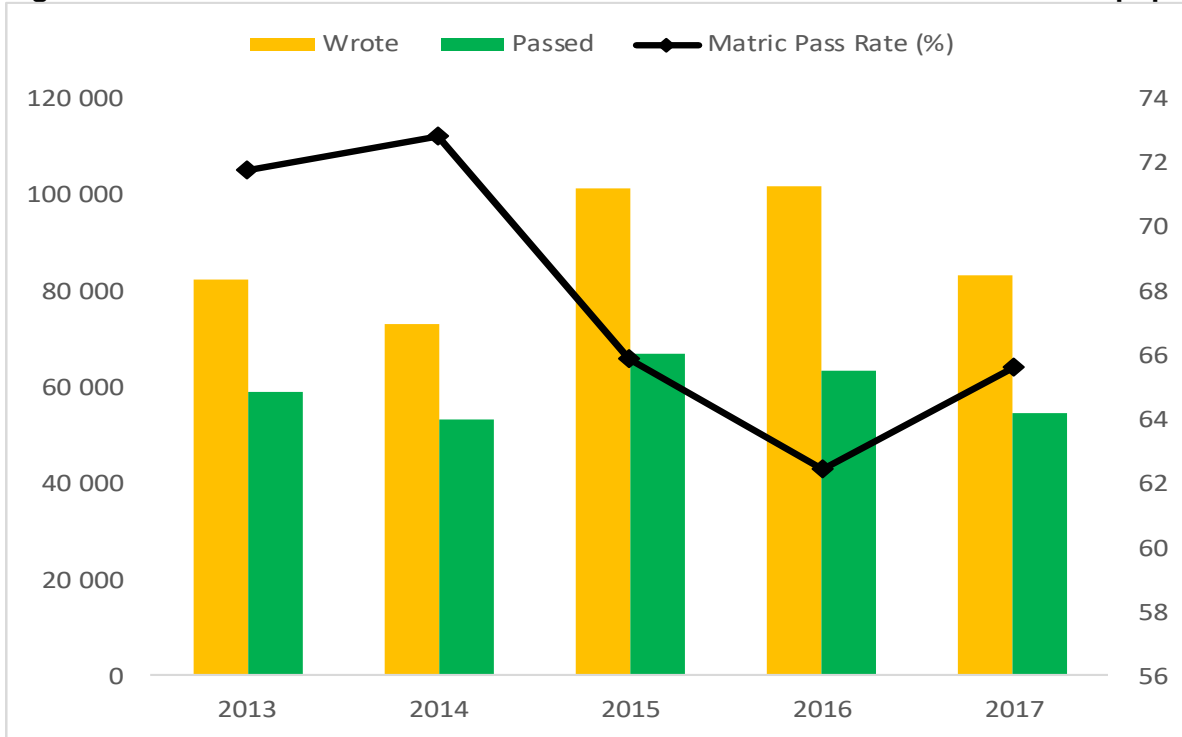
Source: Regional Explorer (IHS)

The portion of the population that do not possess any higher level of education other than matric find it difficult to be competitive in the labour market and the probabilities of them accessing high paying jobs are very low. This exacerbates the problem of income inequality which the National Development Plan (NDP) seeks to curb.

5.4. Limpopo matric examination outcomes

The number of matriculants sitting for exams and passing the examinations experienced a temporary upward swing before declining to the 2013 levels. The number of learners sitting for examinations increased from 82 thousand in 2013 to 83 thousand in 2017. While the number of learners passing matric decreased from 59 thousand in 2013 to 54 thousand in 2017. The provincial matric performance regressed from the 72.9 percent in 2014 to 65.6 percent in 2017. This is at the backdrop of the LDP aspiring for an annual matric pass rate of 80 percent.

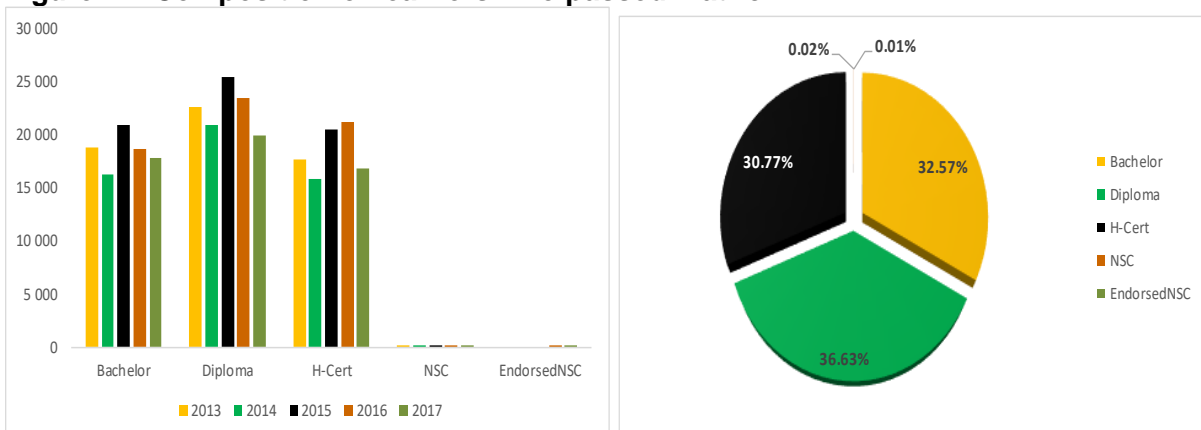
Figure 23: Total number of matriculants who sat for exams and Pass rate in Limpopo



Source: Limpopo Department of Education

In 2017, out of the 54 thousand learners who passed matric, 32.6 percent obtained Bachelor entrant passes, 36.6 percent obtained Diploma entrant passes while 30.7 percent obtained H-Certificate passes.

Figure 24: Composition of learners who passed matric

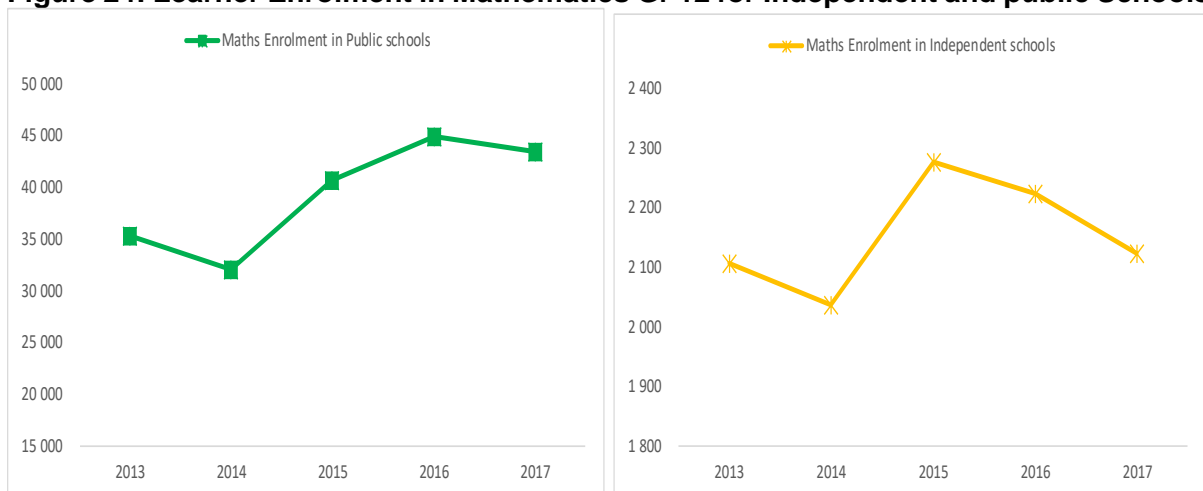


Source: Limpopo Department of Education

5.5. Learner Enrolment in Mathematics Gr 12

The number of matriculants enrolling for mathematics increased from 37 thousand in 2013 to 45 thousand in 2017. On average, 44 percent of the total number of matriculants enrolled for maths in 2017. The enrolment for mathematics was boosted by the increase in total number of learners enrolling for matric year on year. Independent schools have experience a gradual decline in the number of candidates enrolling for mathematics from 2 276 in 2015 to 2 124 in 2017.

Figure 24: Learner Enrolment in Mathematics Gr 12 for Independent and public Schools

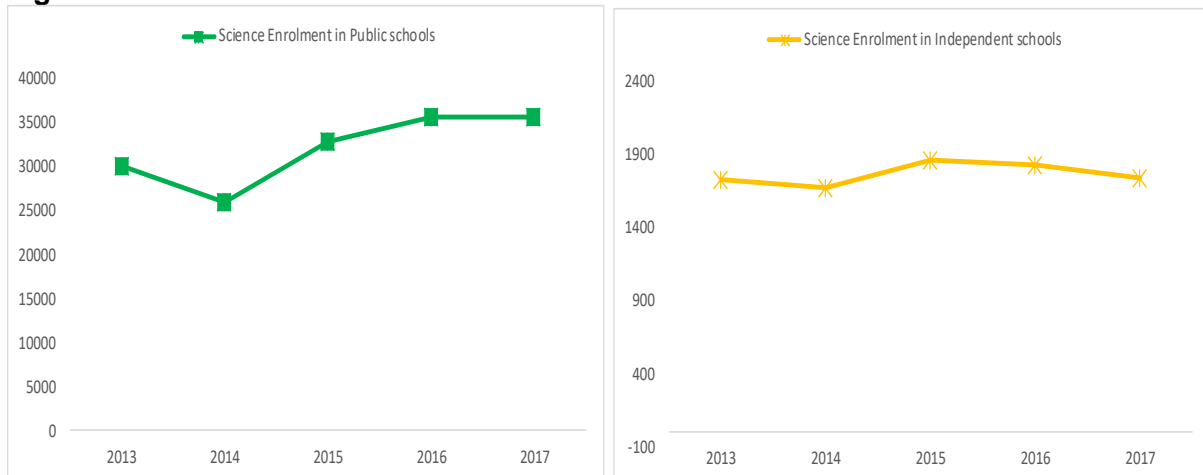


Source: Limpopo Department of Education

5.6. Learner Enrolment in Science Gr 12

Enrolment of the science subject in the province has experienced growth in the public schools but a decline in independent schools. Enrolment in public schools grew to 35 thousand in 2017 from 25 thousand in 2014. While in independent schools' enrolment declined from 1 868 in 2015 to 1 737 in 2017. This logically implies that learners are opting for alternative subject choices; despite that learners in independent schools has increased to a total of 62 thousand in 2017 from 53 thousand in 2013.

Figure 25: Learner Enrolment in Science Gr 12



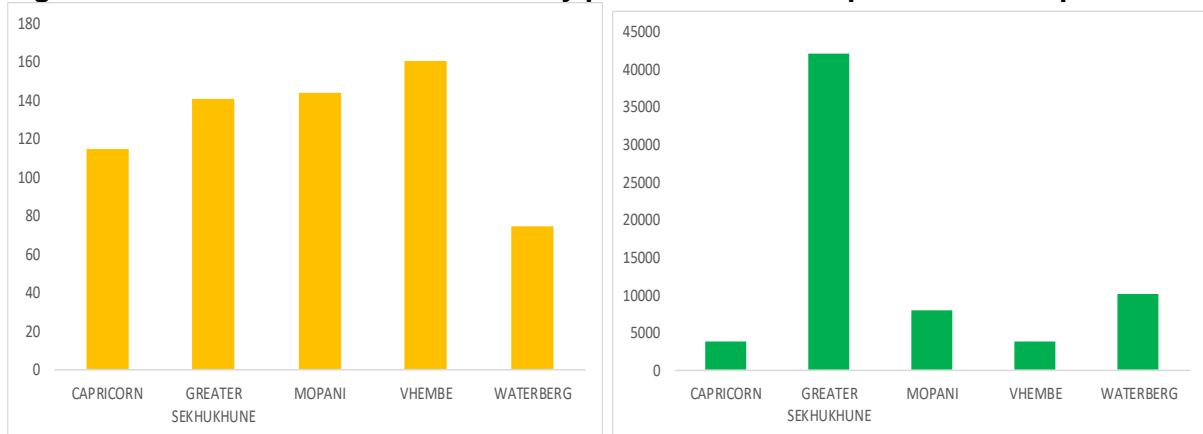
Source: Limpopo Department of Education

5.7. Libraries at schools per District in Limpopo

Research provides compelling evidence that school libraries and library staff have a positive impact on student achievement. Libraries are incubators and learning hubs. Most of all, the libraries are the entry points to the digital world. Libraries should be equipped with relevant technologies to increase their utility by the communities. Nimble, for example, is a concept of an advanced library augmented reality tool. The tool offers digital enhancement of a print book, making learning fascinating and effortless.

The province has made strides in ensuring that each district has libraries for learners, however the distribution of the libraries is asymmetric. Greater Sekhukhune district for example has 141 libraries for a population of 518 thousand learners in public schools. This therefore implies a very high ratio of learner per library of 42 thousand learners per library; which is the highest ratio in the province. The average ratio of learners per library (excluding Greater Sekhukhune) is 42 thousand. The lowest ratio is in Capricorn sitting at 3 thousand learners per library, understandably so due to its relative ease of rolling out the infrastructure in the district.

Figure 26: Number of libraries and library per learner ratio in public schools per district



Source: Limpopo Department of Education

5.8. Conclusion

The world is moving to the fourth revolution- technology driven economies. Generally, countries that invest in research and development tend to grow faster than countries that are conservative. Likewise, library facilities around the world are undergoing technology revolution which has seen library utilisation grow. Technologically fitted libraries in the province will not only see growth in library utilisation, but see general learner development as the communities have access to a plethora of body of knowledge.

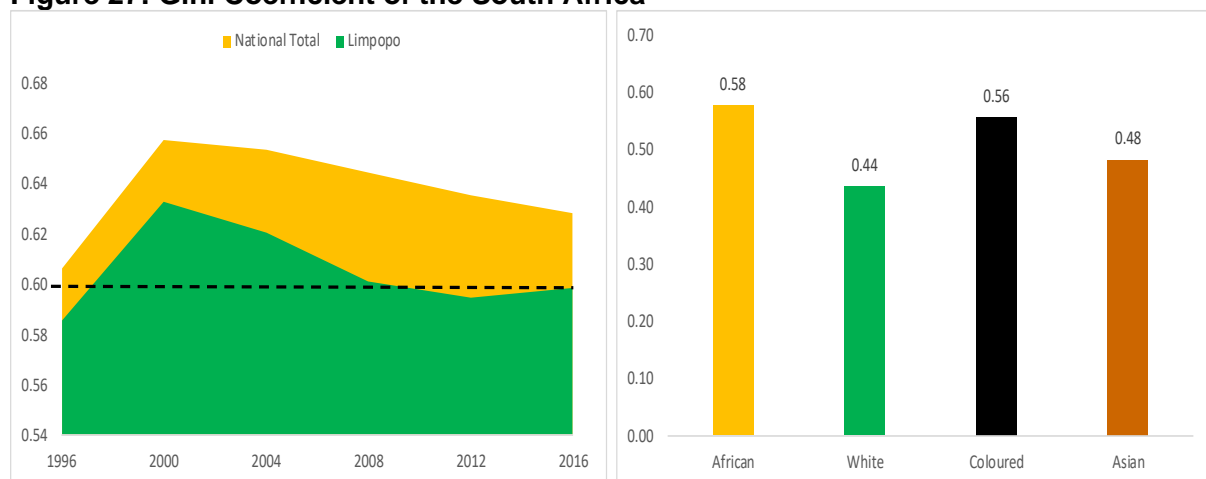
CHAPTER 6: Development Indicators

6.1. Income Inequality

According to the United Nations Development Programme (UNDP), by addressing the challenge of income inequality, African countries can achieve decisive progress towards poverty reduction and the Sustainable Development Goals (SDGs). Furthermore, income inequality in African countries stems from a highly dualistic economic structure, where the extractive sectors offer limited capacity to generate employment, and where most of the workforce earn far lower incomes.

In 2017, the provincial Gini Coefficient was recorded at 0.60, which was 0.03 points below the national coefficient (0.60). This suggests that comparatively, the province has a relatively similar income gap as compared to the national average. However, the 0.60 mark is high. The province should endeavour to narrow the income gap to below 0.50. The African and the Coloured race groups in the province have the highest Gini Coefficients at 0.58 and 0.56 respectively. While White and Asian race groups have relatively low income inequality gaps of 0.44 and 0.48 respectively.

Figure 27: Gini Coefficient of the South Africa



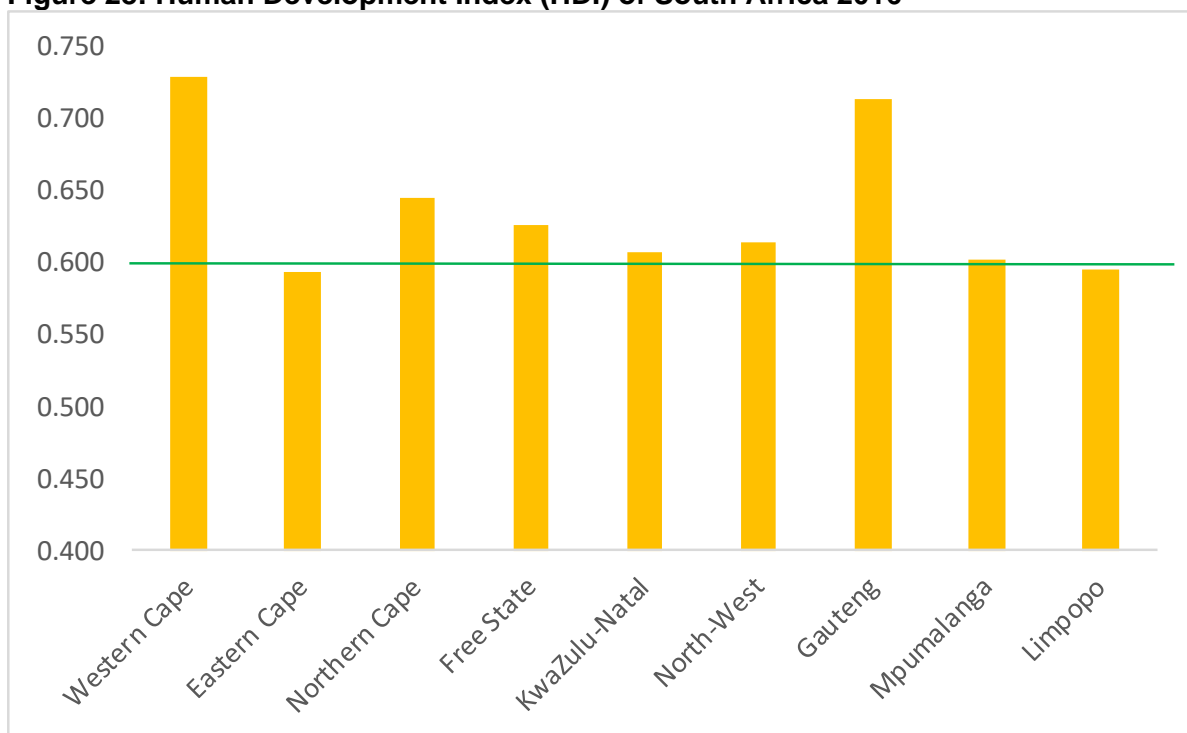
Source: Regional Explorer (IHS)

6.2. Human Development Index

The Human Development Index (HDI) is a key measure used by the UN to assess the relative level of socio-economic development in countries. The HDI is a composite of three factors reflecting longevity, economic prosperity, and schooling. More specifically the variables used are: Life expectancy at birth, Per capita income and Level of education based on the adult literacy rate and the average number of years of schooling of adults. A figure closer to 1 indicates a higher level of HDI.

The HDI is used by planners in the sub-national government to identify specific areas for prioritizing programmes of human development. From figure 28, the provinces with a relatively low HDI are Eastern Cape and Limpopo province at 0.593 and 0.595 respectively, while Western Cape and Gauteng recorded relatively high HDI's at 0.73 and 0.71 respectively. It therefore suggests that Limpopo and Eastern Cape provinces need the support from national government to improve the general development levels of its citizens.

Figure 28: Human Development Index (HDI) of South Africa 2016



Source: Regional Explorer (IHS)

Both the country and the province has experienced a gradual rise in the development indicator. In 2000 the country and the province recorded HDI of 0.53 and 0.45 respectively. This has since improved to 0.65 and 0.60 respectively in 2016. This is indicative of the impact of government expenditure on health facilities, social wage, and education services. HDI among the African population is relatively lower than other races at 0.58 compared to the white race HDI of 0.89.

Figure 29: Human Development Index (HDI) of South Africa and Limpopo province



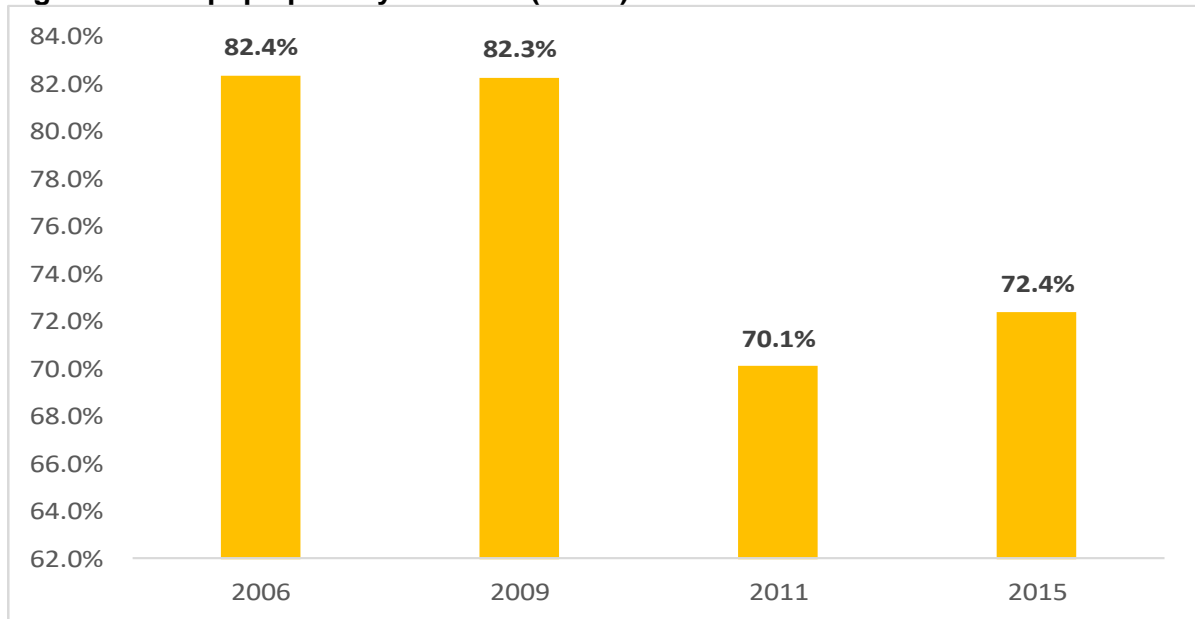
Source: Regional Explorer (IHS)

Limpopo is striving to further reduce inequalities among the population groups and narrowing the gap between the gender groups and increasing the HDI.

6.3. Poverty

According to Statistics SA, an individual's educational level is closely related to poverty. Statistics SA's data showed that 79.2 percent of individuals with no formal education were poor, compared to only 8.4 percent of individuals who had a post-matric qualification in 2015. The percentage of people living in poverty (Upper Bound Poverty Line) decreased from 82.4 percent in 2006 to 70.1 percent in 2011. However, in 2015 the percentage grew to 72.4 percent. Despite the declines over time, the percentage of people living in poverty in Limpopo is still very high.

Figure 30: Limpopo poverty measure (UBPL)



StatsSA Poverty Report 2016

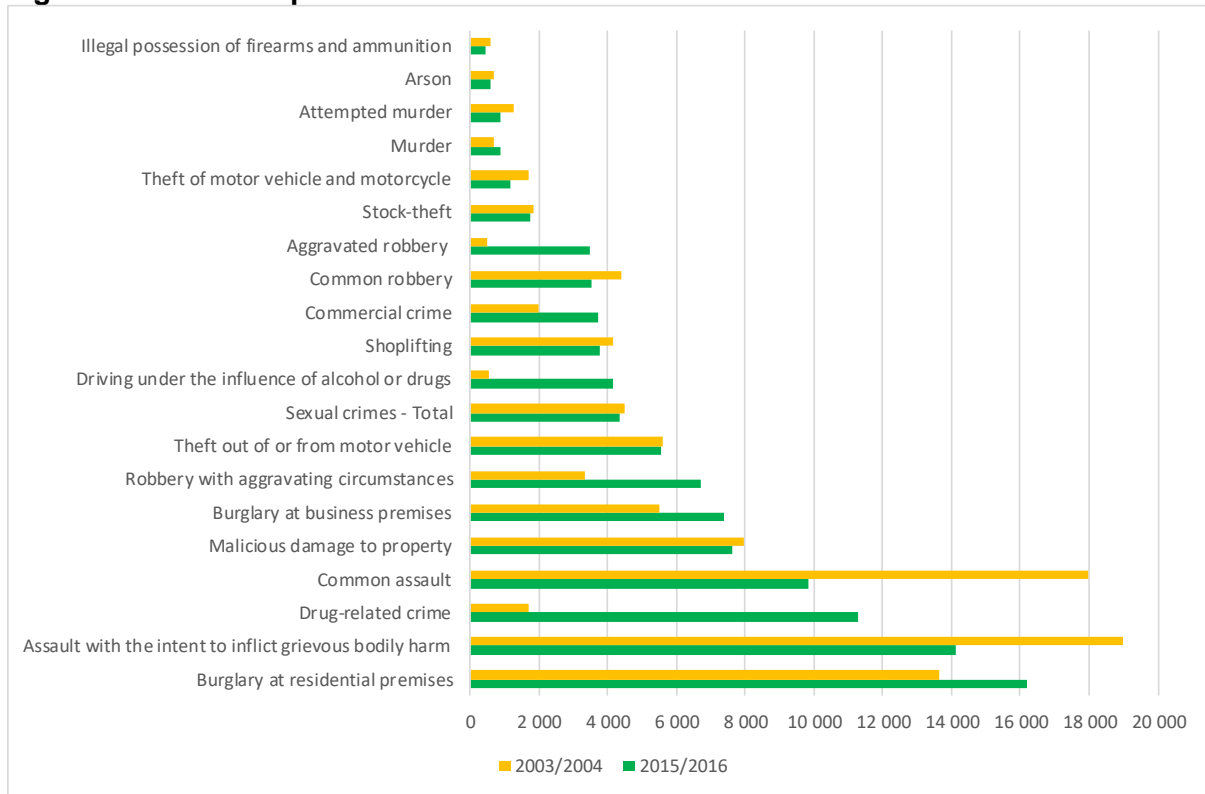
6.4. Crime Outlook

According to the Council for Scientific and Industrial Research (CSIR) South African crime levels are well above international averages. The direct and indirect costs of crime to individuals, business, and government include financial loss, increased fear of victimisation, restricted behaviour and movement. High crime and violence levels place a heavy burden on the Criminal Justice System, Health Care System and state expenditure.

6.4.1. Crimes by category

The five most reported crimes in the province are Burglary at residential premises, Assault with the intent to inflict grievous bodily harm, Drug-related crime, Common assault and Malicious damage to property. It should be noted though that Common assault and Assault with the intent to inflict grievous bodily harm crimes have declined significantly over the past ten years, while drug related crimes have soured exponentially.

Figure 31: Crimes reported



Source: Regional Explorer (IHS)

6.5. Conclusion

Growing crime rates in the province could reduce the quality of life for Limpopo residents, hurt business confidence and negatively affect the residential property market in the long run. Government needs to ensure safety of all people living, working and investing in the province for the prosperity of the local economy.

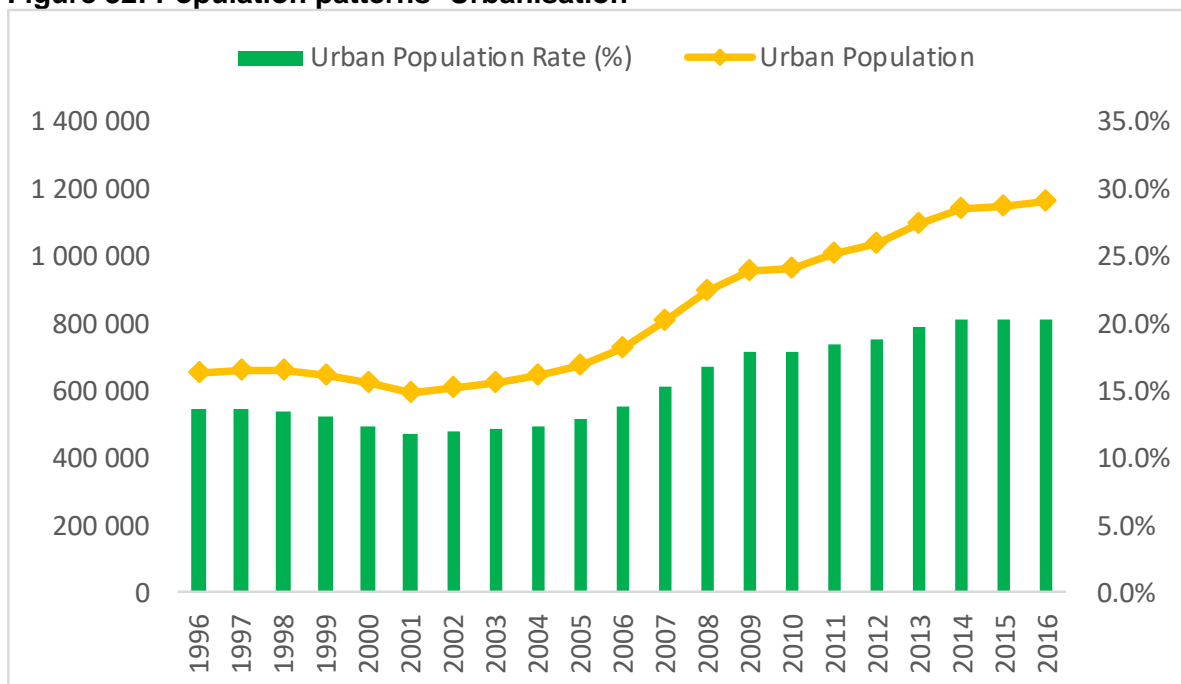
CHAPTER 7: Provisioning of Basic Services

7.1. Urbanisation Patterns

An increase in the rate of urbanisation has added pressure to the local government infrastructure. Due to the lack of available formal housing in the cities, those migrating to cities often end up residing in the informal settlements which makes the roll out of bulk services very difficult. The majority of people migrating to the cities are unemployed, generally had access to primary or secondary education and occupy menial jobs which are poorly remunerated.

In the province for instance, towns like Polokwane, Lephalale, Makhado, Musina and Tzaneen are experiencing an increase in urban population. The urban population in Limpopo grew from 807 thousand in 2007 to 1.1 million 2016. This therefore implies that infrastructure plans and social programmes cannot be based on rigid population estimates. The municipal and provincial plans should rather be based on multiyear population estimates to cater for explosive urbanisation patterns in the future.

Figure 32: Population patterns- Urbanisation

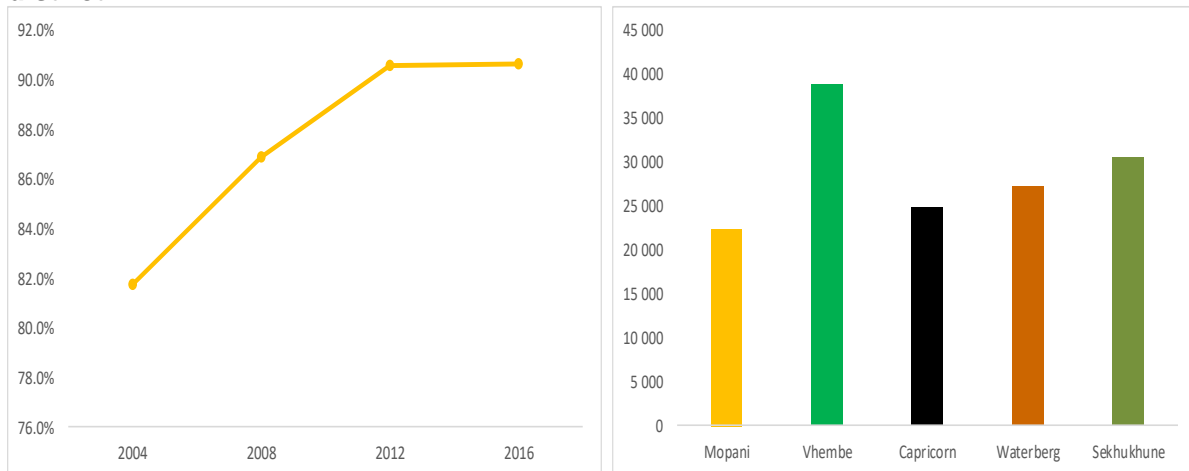


Source: Regional Explorer (IHS)

7.2. Housing

The share of households occupying formal dwellings increased from 81 percent in 2004 to 90 percent in 2016. This is indicative of sustained efforts by the Department of Co-operative Governance, Human Settlements and Traditional Affairs in providing the economically excluded population with descent dwellings. Furthermore, the growth in the average household income has afforded certain households to be in a position to build themselves descent dwellings. About 39 thousand of households in Vhembe and 30 thousand households in Sekhukhune districts do not live in formal dwellings. These are districts that require attention in future housing plans

Figure 33: Share of household occupying formal dwellings and Housing backlog per district

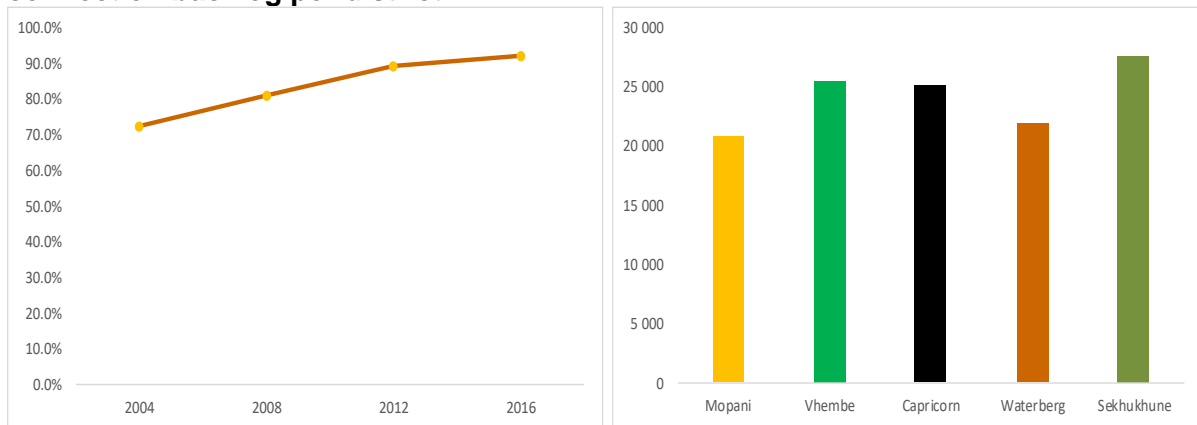


Source: Regional Explorer (IHS)

7.3. Electricity Connection

This basic service grew much quicker and covered many households in a rapid fashion. By 2016, 92.2 percent of households in the province were connected to electricity. The number is likely not to reach 100 percent as there are emerging settlements mushrooming in the province. However, rural and marginalised settlements that have been established for a long time should be given preference as this will support government efforts in rolling out rural development programmes. A handful of households in Sekhukhune (27 thousand) Vhembe (26 thousand), and Capricorn (25 thousand) are without connection to electricity.

Figure 34: Share of households with electrical connections (percent) and Electrical connection backlog per district.

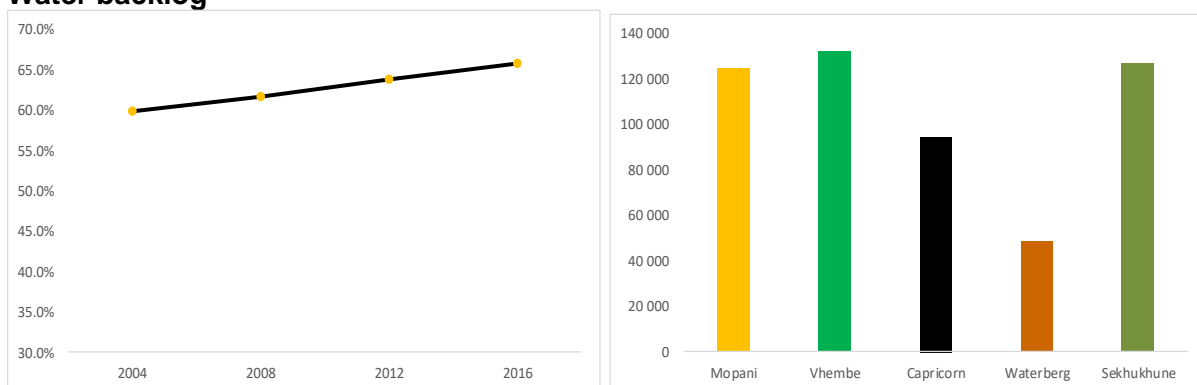


Source: Regional Explorer (IHS)

7.4. Water Provision

At least 66 percent of households in the province have access to water (piped water at or above RDP-level). This indicator has been growing but at a slow pace, between 2004 and 2016 only 38 thousand new households had access to water. Water is becoming a scarce resource in the country, exacerbated by global warming. Municipalities across the province should instigate water retention methodologies to ensure sustained supply of water even during drought periods; the Western Cape is a case in point. The rural districts such as Mopani, Vhembe, and Sekhukhune have a large number of households without access to water recorded at 124 thousand, 131 thousand and 126 thousand respectively.

Figure 35: Share of households with piped water at or above RDP-level (percent) and Water backlog

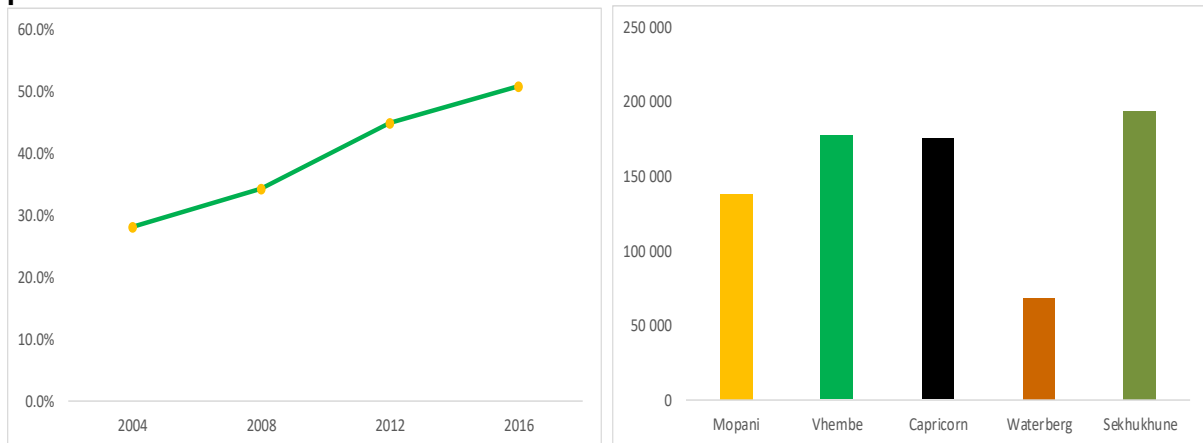


Source: Regional Explorer (IHS)

7.5. Sanitation

In 2016, 51.1 percent of households had access to hygiene toilets. However, almost half of the population are still without sanitation. Most of the households that still require service delivery prioritisation are in Sekhukhune, Vhembe and Capricorn districts.

Figure 36: Share of households with Hygienic toilets (percent) and Sanitation backlog per district



Source: Regional Explorer (IHS)

The provincial government is dedicated to accelerate the roll out of bulk services and to ensure that households have access to basic services, this is supported by the development of the water master plan and the provincial infrastructure master plan. This will allow government to consolidate resources to accelerate the provision of services.

Conclusion

The South Africa economy continued its subdued growth performance during 2017, influenced by the local political instability and international economic performance and our country managed to avoid recession during the year. Though the economic outlook for the country looks positive after the changes in the national administration, attention still need to be given to key policy issues which will appease the credit rating agencies as this will boost foreign investor confidence. If the rating agencies are not convinced another downgrade might be experienced during 2018.

The Limpopo economy has managed to sustain a positive growth of 1.2 percent in 2017, which was a recovery from the 2016 negative growth rate of 1.6 percent and the provincial outlook looks positive moving towards 2020, though it is still below the aspiration of the 3 percent as set out in the LDP. The provincial economy is dependent on national economic development and it is likely that the provincial economy will benefit from the national and international spill-offs. It is worth noting that, since 1994 the main contributors to the GDP in Limpopo is the Tertiary sector and the Primary sector, this situation need to be addressed through stimulation of the secondary sector performance. The secondary sector is also seen as an important contributor to job creation.

Limpopo province has continued to experience a positive growth in its population over time, while still faced with the triple challenge of unemployment, inequality and poverty. This has put strain on the provincial fiscus as the growing numbers continue to be dependent on the state coffers for provision of free education and access to health. The key policy to address these challenges is to create higher level of economic growth. The higher growth will lead to higher level of job creation, which in turn will help to address the concerns of poverty and inequality. The provincial government may need to pay more attention to the positive role that the informal sector can play in addressing unemployment in the province.

For millions of people in the province, chronic illnesses and depression are facts of life and most citizens continue to be side-lined in terms of accessing private health

facilities as they can't afford the high cost of medical aids. The provincial government through the department of Sport, Arts and Culture needs to encourage its citizens to participate in sporting activities and change their lifestyles as this can assist in controlling and minimising some illnesses. Despite evidence which clearly indicates that physical activity is critical to improve health and quality of life, women are more physically inactive than men in South Africa.

The province has experienced an increase in the number of matriculants enrolling for mathematics from 37 thousand in 2013 to 45 thousand in 2017. On average, the matriculants enrolling for mathematics was just about 44 percent of the total number of matriculants in the province in 2017. The enrolment for mathematics was boosted by the increase in total number of learners enrolling for matric year on year. Independent schools have experienced a gradual decline in the number of candidates enrolling for mathematics from 2 276 in 2015 to 2 124 in 2017. This situation needs to be improved as the province needs to encourage its learners to take mathematics as a learning area from the development phases in their schooling career.

The role of libraries in our communities cannot be emphasised but given the resource strained fiscus, it is expedient to adapt new ways of rolling out library infrastructure in the province. Shifting from the original structure of libraries as depositories of books to technological knowledge and innovation centres, by so doing promoting maximum utilisation of libraries given the dawn of technology and gadgets we are living in.

Recommendations

Economic Overview

South Africa as one of the players in the global arena should take into consideration global trade risks and develop counter policies that will ensure sustained productivity of the local economy. Furthermore, new markets are necessary to expand and achieve increased economies of scale in the secondary and primary sectors of the country. Improve the levels and relevance of the skills in the province. The effort to use government procurement to boost local businesses should also be enhanced. The province should try to capitalize on its unique geographic location. The provincial economy should also be diversified away from its dependence on the volatile mining and agricultural sectors towards an even bigger contribution from the secondary sector.

Labour Market

Government policies should be directed into developing informal sectors to play a role in the battle against unemployment. Instead of seeing the informal sector as a challenge it should rather be seen as an opportunity to create more jobs. Higher levels of job creation are eventually the best policy measure to address the challenge of poverty.

Education

The provincial government should investigate remodelling current libraries to convert them to high tech libraries that embrace new technology i.e. the use of mobile applications that allow users to access e-library services and making broadband facilities available to all in the province over time. It is such innovation that government could boost learner development and increase operational efficiencies in libraries. The decline in mathematics and science enrolment is a cause for concern, given the policy emphasis on industrialisation and acceleration of infrastructure roll out in the province.

It is necessary to align the schooling curriculum to the skill needs required by the local economy.

Health

The Department of Health should continue to embark on awareness campaigns to communities in order to avoid spread of diseases as the cost of prevention is proven to be much cheaper than treatment. The Department of Sport, Arts and Culture and Health should embark on programmes that will encourage the provincial citizenry to be involved in some physical activities as they try to relieve hospitals from the high number of people who are not covered by medical aid.

Development Indicators

Low economic growth, low levels of education, low levels of income and joblessness are amongst the contributors of income inequality. The UN recommend a series of targeted policy approaches to reduce income inequality in Africa:

1. Improving distribution of human capital development (particularly secondary education) to positively affect inequality;
2. Increasing direct taxation and efficiency of tax administration, as well as increasing well-targeted social expenditures;
3. Enhancing productivity in the agricultural sector, which is seen as key to reallocating labour to other sectors of the economy and reducing rural poverty, rural poverty gaps and income inequality; and
4. Implementing structural transformation.

Crime

Poverty, Unemployment and Income inequality are consequences of a myriad of issues varying from, low economic growth, limited access to higher learning education and petty wage levels. It therefore implies that for the province to reverse the triple challenges of unemployment, poverty and inequality the province should implement progressive economic transformation policies that are inclusive, and ensure accelerated economic growth that is job creating.