NORTHERN CAPE PROVINCIAL GOVERNMENT

NORTHERN CAPE SOCIO-ECONOMIC REVIEW 2024

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Northern Cape
Socio-Economic Review
2024

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The *Northern Cape Socio-Economic Review 2024* is compiled using the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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Foreword

The province is still feeling the aftershocks of the economic crisis of 2020, but remains on the road to recovery. Persistent high prices are still plaguing the province, making it difficult for businesses and households to thrive and for the economy to grow at the rate that we would like it to grow. Subdued economic growth also hinders job creation, but government remains committed to funding job creation initiatives and to provide education to the people in the province to make them more appealing to potential employers. With the Sol Plaatje University celebrating its 10th anniversary, the opportunities for the people in the province to attain higher education are just increasing.

This publication provides insight into the demographics, economy, labour and development of the province, showing areas where progress was made and where there is a need for intervention or support. In light of this, government departments are invited to use this analysis to help them in their planning processes and to ensure that the limited resources that are available to them go further in improving the lives of the people calling our province home.

AB Vosloo, MPL

MEC for Finance, Economic Development and Tourism

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List of Abbreviations

EC	Eastern Cape
FS	Free State
GDP	Gross Domestic Product
GHS	General Household Survey
GP	Gauteng
HDI	Human Development Index
IMF	International Monetary Fund
KZN	KwaZulu-Natal
LP	Limpopo
MP	Mpumalanga
MYPE	Mid-Year Population Estimates
NC	Northern Cape
NSC	National Senior Certificate
NW	North West
Q	Quarter
QLFS	Quarterly Labour Force Survey
SA	South Africa
SARB	South African Reserve Bank
Stats SA	Statistics South Africa
WC	Western Cape

Executive Summary

The Northern Cape remained the smallest province by population size, with a population estimated at 1.4 million in 2022, representing 2.2 per cent of the total national population. At 32.4 per cent in 2022, Frances Baard accounted for the largest share of the provincial population, whereas Namakwa accounted for the smallest at 10.5 per cent. The province experienced an increase in the number of households between 2013 and 2022, as the population size was rising. Black Africans represented the largest population group in the province as well as in South Africa as a whole, while Indians/Asians were the minority. When considering gender, there were more females than males in 2022 within the province and the country. Looking at interprovincial migration, the Northern Cape had the smallest positive net-migration, with inflows and outflows that were also small. The provincial population density rose from one year to another between 2013 and 2022, albeit slightly. This ratio remained very small as the province has a very large land mass relative to its population size.

The IMF's projections indicate a moderate global economic growth forecast for 2024 and 2025. South Africa experienced mixed trends in GDP growth over the analysed period, with significant challenges arising in 2020 with a contraction of -6.0 per cent attributable to the global pandemic and its associated restrictions. Despite this setback, there was a notable recovery in 2021, followed by a more modest growth rate in 2022. National Treasury's growth estimate for 2023 is cautious at 0.6 per cent, with forecasts indicating expectations of a gradual improvement in economic performance from 2024 to 2026. Conversely, the Northern Cape exhibited slightly more volatile growth patterns. Primary and secondary industries faced challenges in 2022 that caused all these industries to contract, while the tertiary industries recorded various levels of expansion. Inflation trends in South Africa displayed a gradual decline from January 2023 to January 2024, although remaining relatively high. Regionally, provincial contributions to South Africa's GDP saw slight shifts between 2013 and 2022, with Gauteng maintaining its dominance. A district-level analysis in the Northern Cape highlighted the diverse economic activities across the regions. Frances Baard made the largest contribution to the provincial economy, followed by ZF Mgcawu.

Despite sustained population growth, reflected in an increasing working age population, the labour market experienced fluctuations in employment and unemployment rates across the different quarters. While there was an annual increase in the national number of employed individuals, some industries witnessed declines in employment, signalling potential volatility. Provincially, there was however a quarterly and annual reduction in the number of employed people accompanied by an increase in the unemployed. This led to a marginal increase in the provincial unemployment rate on a quarterly basis, but a more pronounced increase on an annual basis. Moreover, the rise in the provincial unemployment rate highlights the need for concerted efforts to address structural challenges and foster inclusive economic growth. Provincially, variations in labour market conditions further emphasise the importance of targeted interventions to address localised challenges and disparities.

The percentage of people living in poverty in the Northern Cape increased between 2013 and 2022. There was also a general increase in poverty levels in South Africa. John Taolo Gaetsewe represented the district with the highest poverty rate in 2013 (57.3 per cent), whereas Frances Baard had the highest share in 2022 with a poverty rate of 63.4 per cent. The province's HDI increased by 0.05 from 2013 to 0.66 in 2022. There was a slight decline in income inequality in the province in 2022 as compared to 2013. The largest number of households in the province earned between R192 000 to R360 000 per annum. The majority of households derived their income from salaries, wages or commission on both a national and provincial level. The largest percentage of people aged 20 years and older had attained the national senior certificate or matric on a provincial and national level. Most households were living in formal dwellings in the Northern Cape and South Africa in 2022. Black Africans constituted the largest group of social grants recipients, while females made up the majority of this group.

With regard to access to basic services, there was a drop in the proportion of households with piped or tap water in dwellings, off-site or on-site. The largest proportion of households in the Northern Cape were using flush toilets in 2022, whereas the smallest used chemical toilets. Electricity was the largest main source of energy used for cooking in all provinces, including the Northern Cape. Lastly, the largest proportion of households had their refuse removed once a week or less often, with these households mainly situated in urban areas in the province.

Chapter 1: Demography

1.1 Introduction

This chapter of the 2024 Socio-Economic Review provides an analysis of demographic indicators of the Northern Cape. This kind of analysis is crucial as it provides guidance on planning-related processes including the allocation of resources. An analysis of the population composition is provided and, in some instances, a comparison is made with South Africa and other provinces.

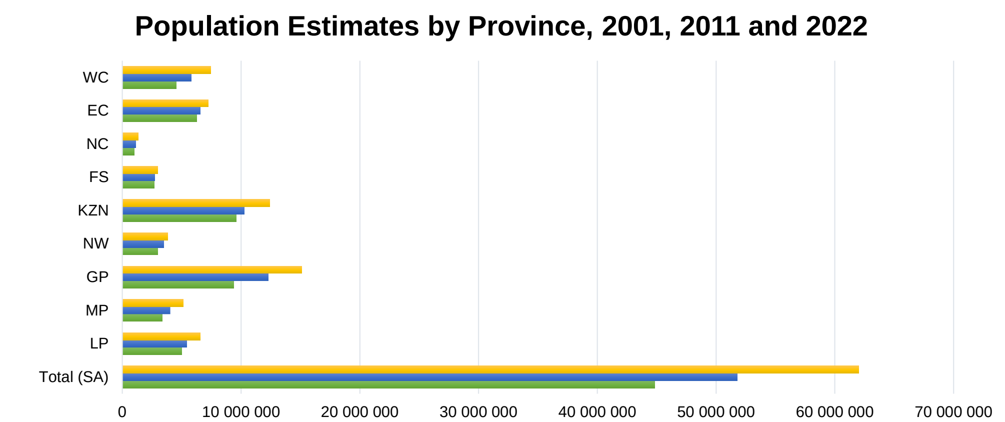
1.2 Population Profile

An analysis of the province's population characteristics is provided in this section. It provides information on demographic changes that can influence the decision-making process.

1.2.1 Population

Figure 1.1 illustrates the population estimates by province when comparing the Census results of 2001, 2011 and 2022.

Figure 1.1: Population Estimates by Province, 2001, 2011 and 2022



	Total (SA)	LP	MP	GP	NW	KZN	FS	NC	EC	WC
Census 2022	62 027 503	6 572 720	5 143 324	15 099 422	3 804 548	12 423 907	2 964 412	1 355 946	7 230 204	7 433 019
Census 2011	51 770 560	5 404 868	4 039 939	12 272 263	3 509 953	10 267 300	2 745 590	1 145 861	6 562 053	5 822 734
Census 2001	44 819 778	4 995 462	3 365 957	9 390 528	2 982 064	9 584 129	2 706 775	991 876	6 278 651	4 524 335

Source: Stats SA, Census 2001, 2011, 2022

The population sizes of all 9 provinces increased over the review period, leading to an increase in the total population of South Africa. Gauteng had the largest population increase in 2022 in comparison to 2011, followed by KwaZulu-Natal and Western Cape. These three provinces also had the largest population sizes, accounting for a respective 24.3, 20.0 and 12.0 per cent of the national population in 2022. The Northern Cape had the smallest population increase and at 1.4 million it remained the province with the smallest population size, accounting for only 2.2 per cent of the total national population in 2022.

Table 1.1 shows the distribution of the Northern Cape's population across the five districts.

Table 1.1: Total Population by District in Northern Cape, 2022

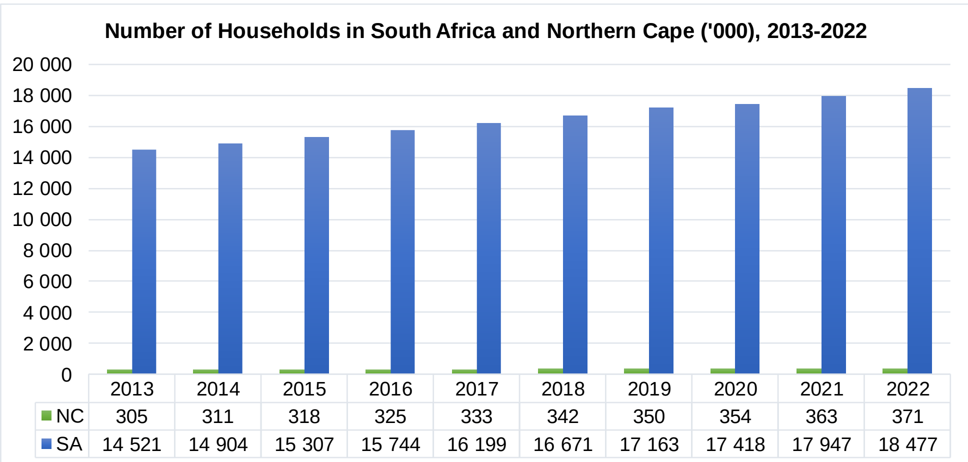
	Number	Share (%)
Namakwa DM	141 357	10.5
Pixley ka Seme DM	221 448	16.5
ZF Mgcawu DM	285 740	21.3
Frances Baard DM	434 284	32.4
John Taolo Gaetsewe DM	257 121	19.2

Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

Frances Baard represented the largest district in the Northern Cape in terms of the population size. In 2022, the district had an estimated 434 284 people, which was 32.4 per cent of the total provincial population. ZF Mgcawu followed with 285 740 people (21.3 per cent), while John Taolo Gaetsewe was the third largest, with 257 121 people (19.2 per cent). Namakwa had the smallest population in the province, with 141 357 people (10.5 per cent).

Figure 1.2 illustrates the number of households in South Africa and the Northern Cape from 2013 to 2022.

Figure 1.2: Number of Households in South Africa and Northern Cape ('000), 2013-2022



Source: Stats SA, GHS, 2022

Together with a rise in the population size, the Northern Cape experienced a growing number of households. In 2022, there were an estimated 371 000 households in the province, which is an increase of 66 000 from 2013 and 8 000 from 2021. Nationally, an increase in households was also observed. The country's households rose by 3.956 million between 2013 and 2022. From 2021, South Africa's number of households grew by 530 000.

Table 1.2 presents the provincial and national population by race and gender for 2022.

Table 1.2: Population by Population Group and Sex for South Africa and Northern Cape, 2022

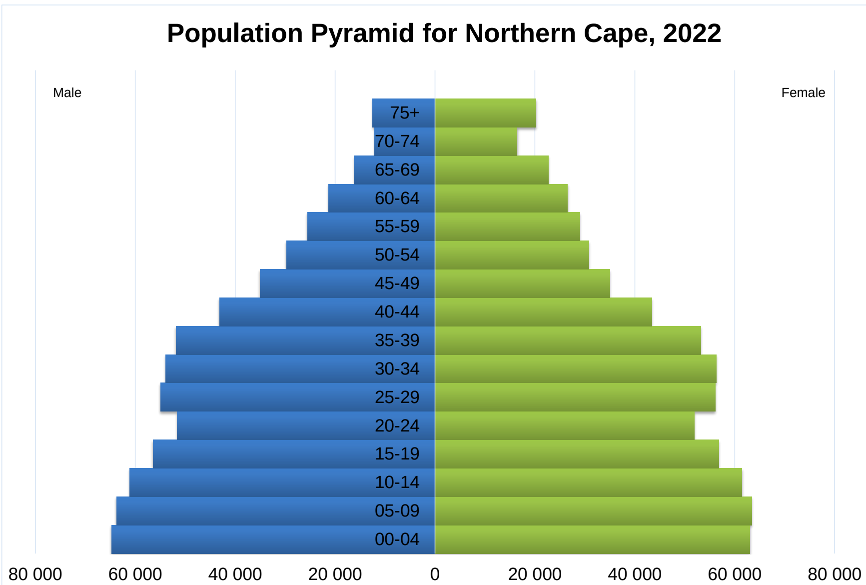
	Northern Cape			South Africa		
	Male ('000)	Female ('000)	Total ('000)	Male ('000)	Female ('000)	Total ('000)
Black African	331	332	**664**	24 616	25 640	**50 256**
Coloured	237	269	**506**	2 548	2 706	**5 253**
Indian/Asian	*	*	*****	783	732	**1 515**
White	65	59	**124**	2 118	2 242	**4 360**
Total	**633**	**661**	**1 294**	**30 065**	**31 319**	**61 384**

Source: Stats SA, GHS, 2022
Due to rounding, numbers do not necessarily add up to totals.
Values based on 3 or less unweighted cases are considered too small to provide accurate estimates, and are therefore replaced by asterisks.

Black Africans represented the largest population group in the Northern Cape and South Africa, followed by the Coloured and White population groups. Indians/Asians were the smallest population group. There were more females than males on a provincial and national level. This was also the case for both the Black African and Coloured population groups in the Northern Cape, while for the White population group, the opposite was observed. In South Africa as a whole, the only population group with more males than females was the Indian/Asian population group.

The 2022 population characteristics of the Northern Cape and its districts are graphically illustrated in the population pyramids that follow.

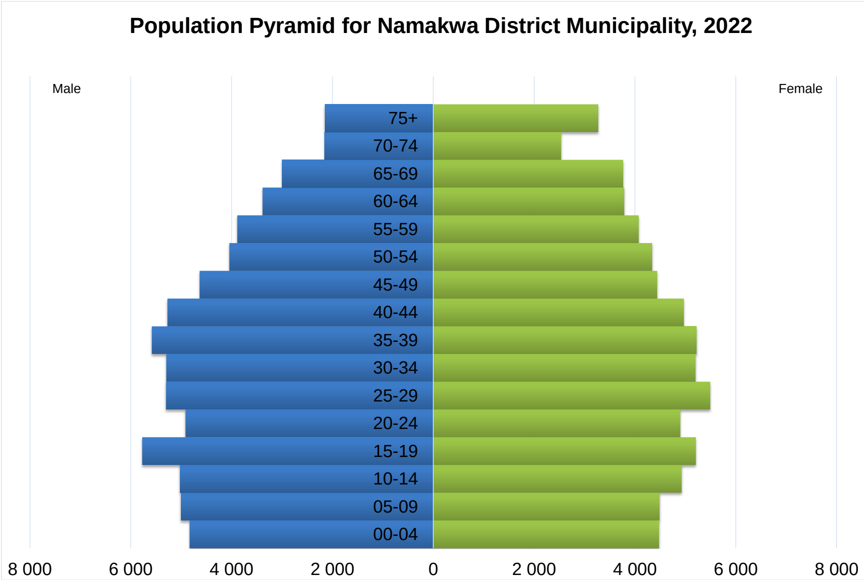
Figure 1.3: Population Pyramid for Northern Cape, 2022



Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

The Northern Cape had a larger number of young people, indicated by the broad base of the pyramid. Children aged 0 to 4 years constituted the largest cohort in 2022, followed by those aged 5 to 9 years. Old people aged 70 to 74 years made up the smallest group.

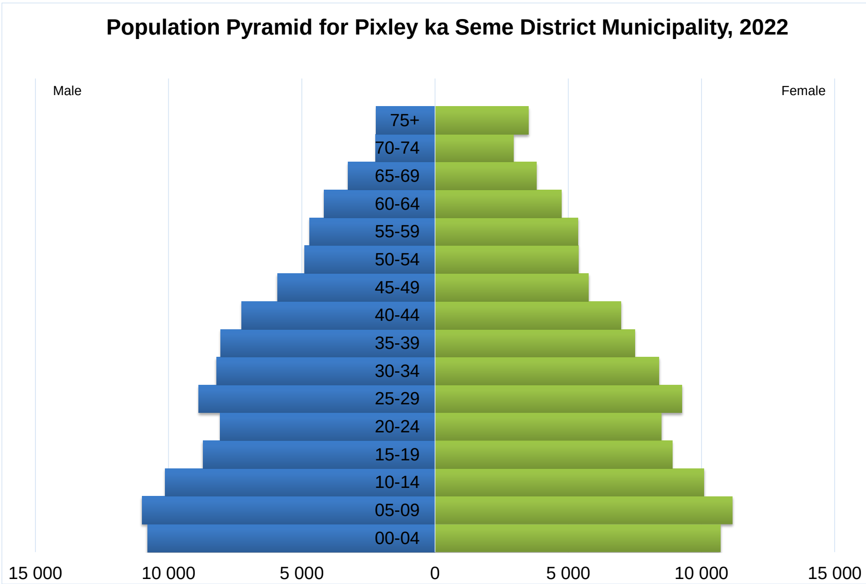
Figure 1.4: Population Pyramid for Namakwa District Municipality, 2022



Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

Teenagers aged 15 to 19 years were the largest cohort in the Namakwa district, followed by persons aged 35 to 39 years. People aged 70 to 74 years made up the smallest cohort.

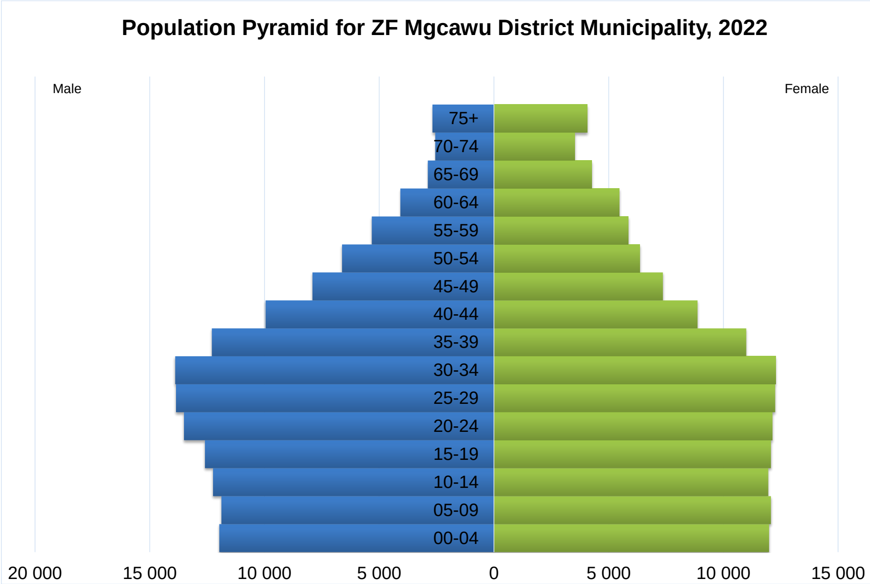
Figure 1.5: Population Pyramid for Pixley ka Seme District Municipality, 2022



Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

Children aged 5 to 9 years constituted the largest age group in Pixley ka Seme in 2022, whereas the elderly of 70 to 74 years was the smallest.

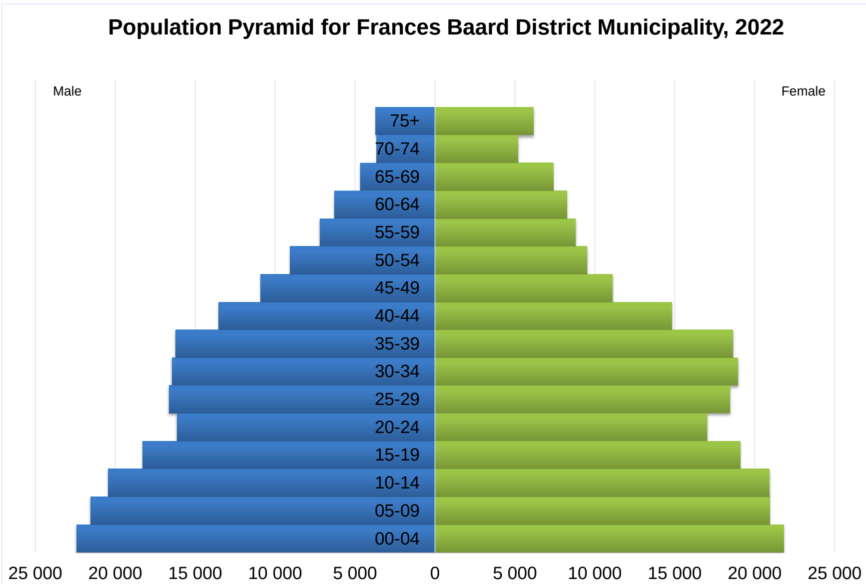
Figure 1.6: Population Pyramid for ZF Mgcawu District Municipality, 2022



Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

In the ZF Mgcawu district, persons aged 30 to 34 years old made up the largest age group, while the elderly of 70 to 74 years constituted the smallest cohort.

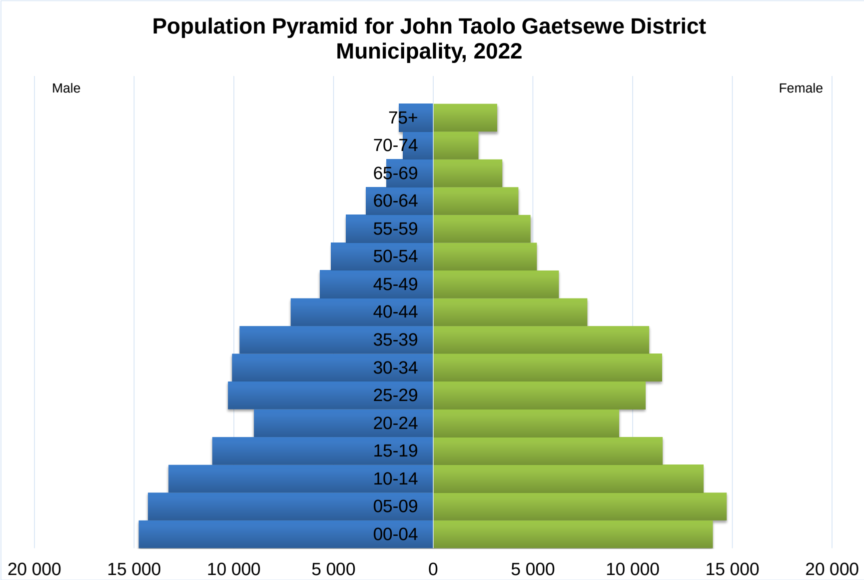
Figure 1.7: Population Pyramid for Frances Baard District Municipality, 2022



Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

Children in the 0 to 4 years age group represented the largest cohort in 2022 in Frances Baard, followed by those aged 5 to 9 years. Old people aged 70 to 74 years was also the smallest group in this district.

Figure 1.8: Population Pyramid for John Taolo Gaetsewe District Municipality, 2022



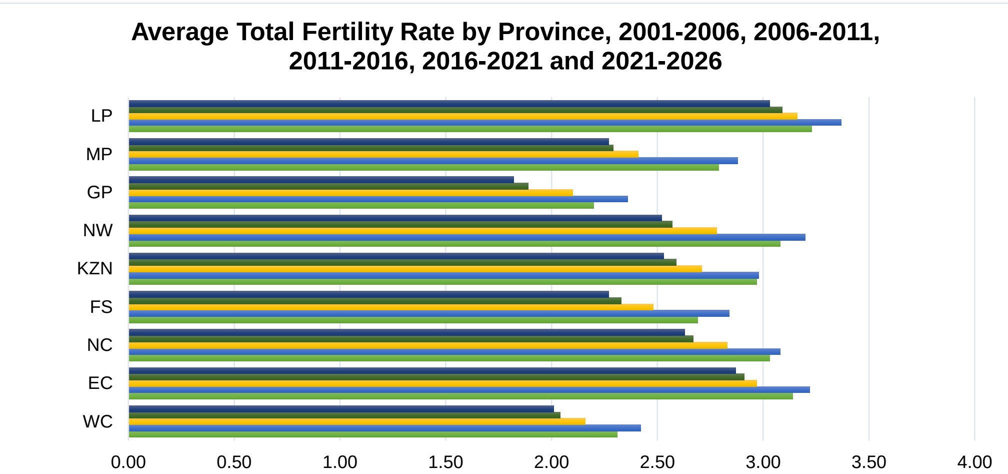
Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

In this district, children in the 5 to 9 years age group made up the largest age cohort in the district, while the 70 to 74 year age group was again the smallest.

1.2.2 Fertility

The following graph displays the average total fertility rate per province for the intervals from 2001-2006 to 2021-2026.

Figure 1.9: Average Total Fertility Rate by Province, 2001-2006, 2006-2011, 2011-2016, 2016-2021 and 2021-2026



	WC	EC	NC	FS	KZN	NW	GP	MP	LP
2021-2026	2.01	2.87	2.63	2.27	2.53	2.52	1.82	2.27	3.03
2016-2021	2.04	2.91	2.67	2.33	2.59	2.57	1.89	2.29	3.09
2011-2016	2.16	2.97	2.83	2.48	2.71	2.78	2.10	2.41	3.16
2006-2011	2.42	3.22	3.08	2.84	2.98	3.20	2.36	2.88	3.37
2001-2006	2.31	3.14	3.03	2.69	2.97	3.08	2.20	2.79	3.23

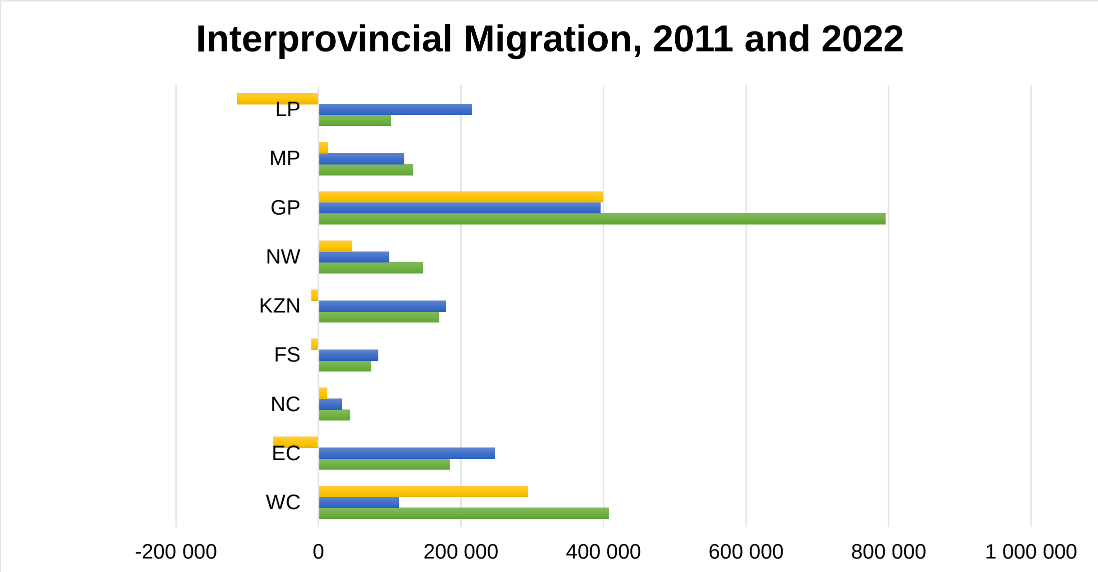
Source: Stats SA, MYPE, 2022

All provinces had the same trend whereby an initial increase was recorded from the 2001-2006 period to the 2006-2011 period. Thereafter, a decrease was recorded in each interval up to the 2016-2021 period, with a further decrease expected in the 2021-2026 period. Gauteng and Western Cape had lower average total fertility rates as compared to the more rural provinces of Limpopo and Eastern Cape.

1.2.3 Migration

Figure 1.10 illustrates the interprovincial migration between the census of 2011 and that of 2022.

Figure 1.10: Interprovincial Migration, 2011 and 2022



	WC	EC	NC	FS	KZN	NW	GP	MP	LP
Net-migration	294 029	-62 629	12 094	-9 878	-10 067	47 275	399 353	12 650	-114 328
Out-migration	112 520	246 842	32 282	83 521	179 250	98 987	395 977	119 809	215 274
In-migration	406 549	184 213	44 376	73 643	169 183	146 262	795 330	132 459	100 946

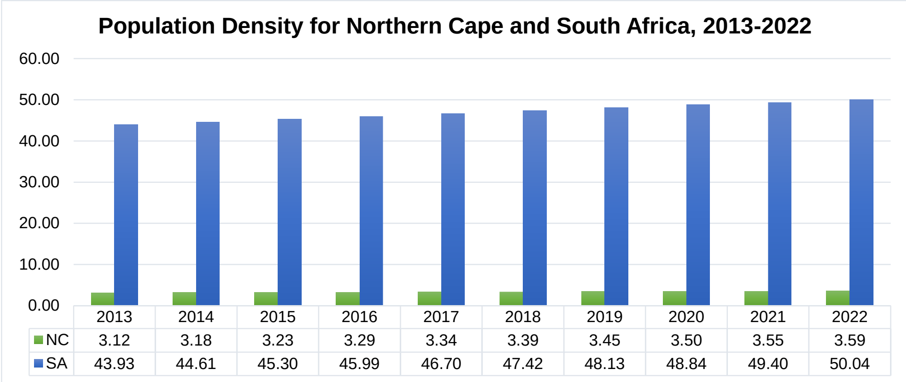
Source: Stats SA, Census 2011, 2022

Between the 2011 and 2022 censuses, Gauteng was the province with the largest number of people migrating into it as compared to those who migrated out. Hence, at 399 353, it had a positive net-migration, and the largest in comparison to others. The Western Cape had the second largest positive net-migration, with a net amount of 294 029 people moving into the province. Three other provinces also showed positive net-migration. These are the Northern Cape, North West and Mpumalanga. This suggests that more people moved into these provinces in comparison to those who moved out. In contrast, Eastern Cape, Free State, KwaZulu-Natal and Limpopo had a negative net-migration, as their outflows were more than their inflows. The largest negative net-migration was observed in Limpopo.

1.2.4 Population Density

Figure 1.11 depicts the population density of the Northern Cape and South Africa from 2013 to 2022.

Figure 1.11: Population Density for Northern Cape and South Africa, 2013-2022



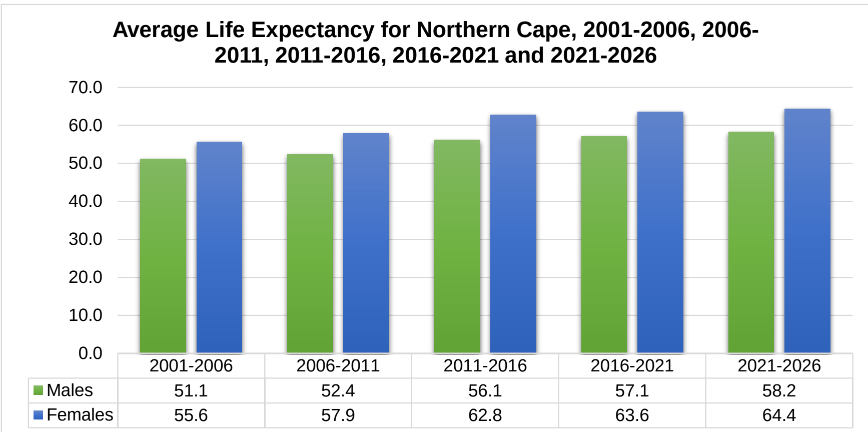
Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

The Northern Cape's population density rose slightly from one year to the next from 2013, which was also the case for South Africa. The province's population density increased by 0.47 persons per square kilometre from 3.12 in 2013 to 3.59 in 2022. The provincial population density ratios are very small compared to the country, as it has the largest land mass coupled with the smallest population size as compared to the other provinces.

1.3 Life Expectancy

Figure 1.12 shows the average life expectancy at birth by sex for Northern Cape for the intervals from 2001-2006 to 2021-2026.

Figure 1.12: Average Life Expectancy for Northern Cape, 2001-2006, 2006-2011, 2011-2016, 2016-2021 and 2021-2026



Source: Stats SA, MYPE, 2022

There was a general increase in the life expectancy of both males and females in the Northern Cape from the 2001-2006 to the 2016-2021 period, and is anticipated to also be the case for the 2021-2026 period as well. Female life expectancy was consistently higher than that of males.

1.4 Conclusion

The Northern Cape remained the smallest province by population size, with a population estimated at 1.4 million in 2022, representing 2.2 per cent of the total national population. At 32.4 per cent in 2022, Frances Baard accounted for the largest share of the provincial population, whereas Namakwa accounted for the smallest at 10.5 per cent. The province experienced an increase in the number of households between 2013 and 2022, as the population size was rising. Black Africans represented the largest population group in the province as well as in South Africa as a whole, while Indians/Asians were the minority. When considering gender, there were more females than males in 2022 within the province and the country. Looking at interprovincial migration, the Northern Cape had the smallest positive net-migration, with inflows and outflows that were also small. The provincial population density rose from one year to another between 2013 and 2022, albeit slightly. This ratio remained very small as the province has a very large land mass relative to its population size.

Chapter 2: Economy

2.1 Introduction

It is very important for policymakers to consider the trends of past economic performance and projections of future growth to enable them to make proactive fiscal and strategic decisions that address past and current challenges but that also consider future sustainability. This chapter provides an analysis of key economic indicators on a global, national and provincial level.

2.2 Global Economic Outlook

Table 2.1 provides an overview of the world economic outlook projections from 2022 to 2025, considering selected countries.

Table 2.1: Overview of World Economic Outlook Projections, 2022-2025

Region/country	2022	2023	2024	2025
	Actual	Estimate	Projections	
World Output	**3.5**	**3.1**	**3.1**	**3.2**
Advanced Economies	**2.6**	**1.6**	**1.5**	**1.8**
United States	1.9	2.5	2.1	1.7
Euro Area	3.4	0.5	0.9	1.7
United Kingdom	4.3	0.5	0.6	1.6
Japan	1.0	1.9	0.9	0.8
Emerging Market and Developing Economies	**4.1**	**4.1**	**4.1**	**4.2**
China	3.0	5.2	4.6	4.1
India	7.2	6.7	6.5	6.5
Russia	–1.2	3.0	2.6	1.1
Brazil	3.0	3.1	1.7	1.9
Sub-Saharan Africa	**4.0**	**3.3**	**3.8**	**4.1**
Nigeria	3.3	2.8	3.0	3.1
South Africa	1.9	0.6	1.0	1.3

Per cent change

Source: IMF World Economic Outlook Update, January 2024

In January 2024, the International Monetary Fund (IMF) released an update indicating a moderate global growth forecast for 2024 and 2025, with the inflation rate expected to decline steadily. World output growth is depicted as experiencing a gradual decline from 3.5 per cent in 2022 to 3.1 per cent in 2023. It is projected to remain stable at 3.1 per cent in 2024 before a slight uptick to 3.2 per cent in 2025, indicating a modest and relatively steady trajectory. Advanced economies demonstrate a trend of low growth rates over the forecast period. Conversely, emerging market and developing economies exhibit more consistent growth rates, hovering around 4.1 and 4.2 per cent throughout the forecast period. China and India, as major emerging economies, display resilient growth despite some moderation. Sub-Saharan Africa as a whole maintains a relatively stable trajectory.

According to the IMF, these projections underscore the complex and diverse economic landscape, influenced by factors such as geopolitical tensions, fiscal policies, and structural reforms, that will continue to shape economic outcomes in the years ahead. Inflation is expected to decrease faster than initially predicted, primarily due to supply-side improvements and tighter monetary policies.

2.3 National Economy

Table 2.2 presents information on real gross domestic expenditure (GDE) for all four quarters of 2022 and the first three quarters of 2023.

Table 2.2: Real Gross Domestic Expenditure, 2022 and 2023

Components	2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Final household consumption expenditure	1.2	0.1	-0.1	0.7	0.4	-0.2	-0.3
Final general government consumption expenditure	0.9	-0.9	0.5	-0.7	1.3	1.8	0.3
Gross fixed capital formation	2.9	0.4	0.4	1.5	1.8	3.8	-3.4
Gross domestic expenditure	2.2	0.5	1.3	-0.4	0.6	1.3	-3.0

Quarter-to-quarter percentage change at seasonally adjusted but not annualised rates

Source: SARB Quarterly Bulletin, December 2023

In 2022, final household consumption expenditure experienced fluctuations, with growth rates ranging between a high of 1.2 per cent and a low of -0.1 per cent. However, in 2023, the growth rates reduced from 0.4 to -0.3 per cent. This indicates very low growth in real final household consumption spending, finishing the period with two consecutive quarters of contractions. Final general government consumption expenditure also exhibited fluctuations in 2022, with growth rates ranging from -0.9 per cent to 0.9 per cent. There was an increase in the first two quarters of 2023, with growth rates of 1.3 and 1.8 per cent respectively. Thereafter it reduced to an almost stagnating 0.3 per cent.

Gross fixed capital formation, representing investment in fixed assets, experienced constrained growth in the last three quarters of 2022, with growth rates ranging from 0.4 to 1.5 per cent. This improved in the first two quarters of 2023, with growth rates of 1.8 and 3.8 per cent respectively. This was however followed by a contraction of -3.4 per cent. GDE fluctuated over the review period, with growth rates starting at a high of 2.2 per cent, but closing the period off with a contraction of -3.0 per cent.

2.3.1 National Industry Growth Trends

Table 2.3 presents quarterly growth rates in the value added per industry of the country from the fourth quarter of 2021 to the third quarter of 2023.

Table 2.3: Growth in National Industry Value Added and GDP, 2021 Q4-2023 Q3

Industry	2021	2022				2023		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Agriculture, forestry and fishing	15.3	-0.9	-11.8	31.4	-2.4	-11.9	2.8	-9.6
Mining and quarrying	-3.2	-2.6	-3.1	1.9	-3.0	1.4	0.8	-1.1
Manufacturing	1.9	4.3	-5.6	1.6	-1.2	1.5	2.1	-1.3
Electricity, gas and water	-3.1	2.5	-1.4	-2.6	-2.0	-1.0	-0.8	0.2
Construction	-2.7	-0.6	-2.6	4.1	0.4	1.1	-0.2	-2.8
Trade, catering and accommodation	4.0	2.9	-1.1	1.2	-2.2	0.7	-0.3	-0.2
Transport, storage and communication	2.6	1.3	2.7	3.4	0.9	1.1	-1.8	0.9
Finance, real estate and business services	-0.5	1.9	2.1	1.1	-1.6	0.6	0.4	0.5
General government services	-0.2	1.3	-1.5	0.4	-0.7	0.3	0.7	0.1
Personal services	2.6	0.2	0.3	-1.0	-0.1	0.8	0.7	0.6
Total value added at basic prices	**1.4**	**1.6**	**-0.8**	**1.8**	**-1.1**	**0.4**	**0.4**	**-0.3**
Taxes less subsidies	1.5	1.3	-1.1	1.5	-0.8	0.6	0.8	-0.1
GDP at market prices	**1.4**	**1.5**	**-0.8**	**1.8**	**-1.1**	**0.4**	**0.5**	**-0.2**

Constant 2015 prices, percentage change quarter-on-quarter (seasonally adjusted)

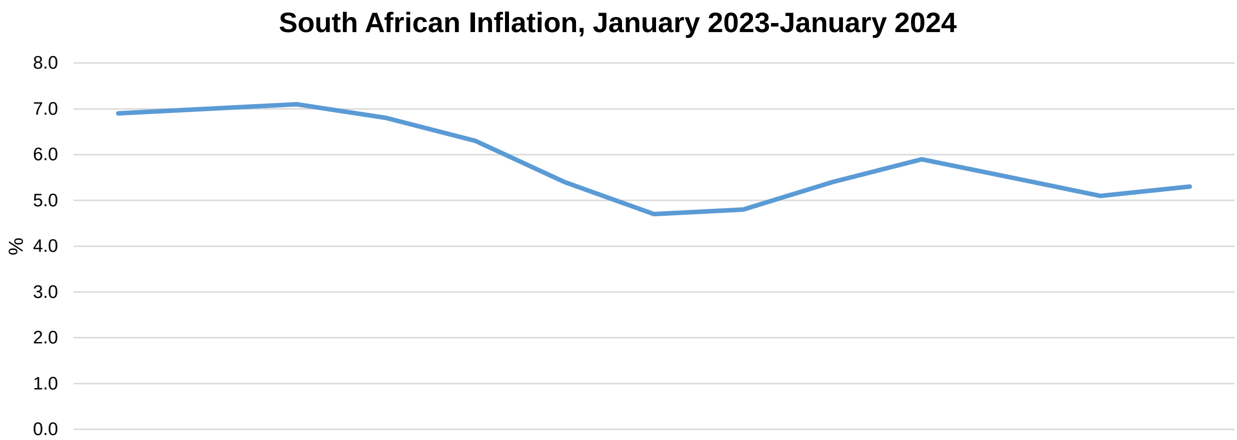
Source: Stats SA GDP, 3rd Quarter 2023

Over the course of the review period, there was a high level of volatility in the agriculture, forestry and fishing industry, with contractions as low as -11.9 per cent and expansions as high as 31.4 per cent. In 2023, there were however significant contractions accompanied by only one quarter of moderate growth. Growth in mining and quarrying also fluctuated, with more quarters of contraction than expansion, and not recording significantly high growth in the expansion phases. Manufacturing also displayed variability, with growth ranging from a high of 4.3 per cent to a contraction of -5.6 per cent. These extremes were recorded in two consecutive quarters (the first and second quarters of 2022). The remaining industries also showed various degrees of fluctuation between contraction and expansion, but not recording such extreme growth rates as the agriculture, forestry and fishing industry.

2.3.2 Inflation

The data presented in Figure 2.1 illustrates the inflation rates of South Africa from January 2023 to January 2024.

Figure 2.1: South African Inflation, January 2023-January 2024



	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Inflation	6.9	7.0	7.1	6.8	6.3	5.4	4.7	4.8	5.4	5.9	5.5	5.1	5.3

Source: Stats SA, Consumer Price Index, January 2024

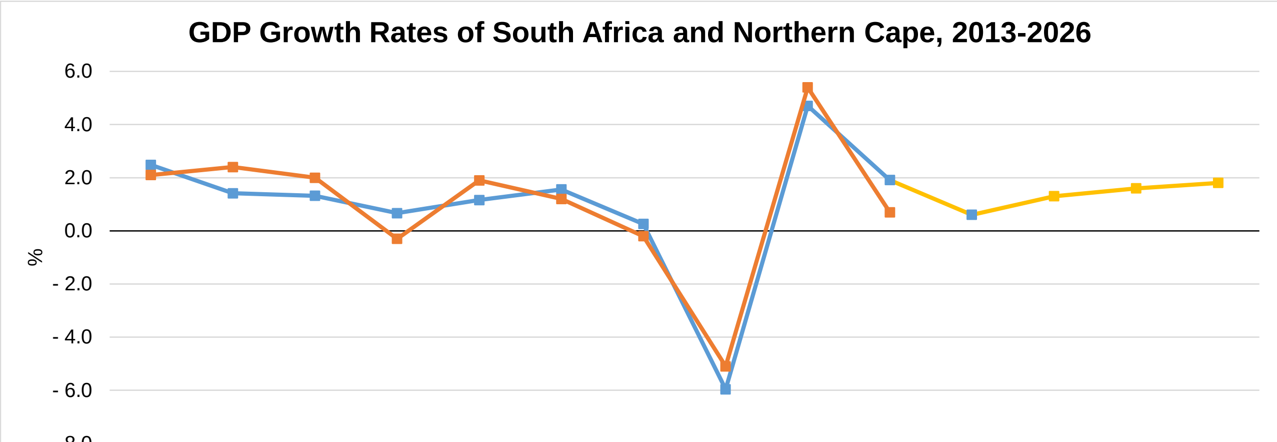
From January 2023 to January 2024, South African inflation fluctuated, but generally trended downwards. In the beginning of this period, inflation started at 6.9 per cent, rising slightly to 7.0 per cent in February and reaching its peak at 7.1 per cent in March. Following this peak, inflation began a gradual descent. By July 2023, it had dropped to 4.7 per cent, marking a considerable decrease from the peak in March. This was however followed again by a brief uptick to 5.9 per cent in October, moderating to 5.5 per cent in November and 5.1 per cent in December 2023. There was however again a slight increase in January 2024, with inflation rising to 5.3 per cent. Overall, the average inflation rate for the period remained relatively high, with an average of 5.9 per cent, reflecting persistent inflationary pressures within the South African economy.

Food and non-alcoholic beverages, housing and utilities, miscellaneous goods and services and transport were the main contributors to the inflation rate of January 2024. During this period, goods experienced annual inflation of 6.6 per cent and services experienced annual inflation of 4.0 per cent.

2.4 Provincial Economy

Figure 2.2 presents the GDP growth rates of South Africa and Northern Cape from 2013 to 2026.

Figure 2.2: GDP Growth Rates of South Africa and Northern Cape, 2013-2026



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
SA	2.5	1.4	1.3	0.7	1.2	1.6	0.3	- 6.0	4.7	1.9	0.6	1.3	1.6	1.8
NC	2.1	2.4	2.0	-0.3	1.9	1.2	-0.2	-5.1	5.4	0.7				

Constant 2015 prices

2023 estimate, 2024-2026 forecasts

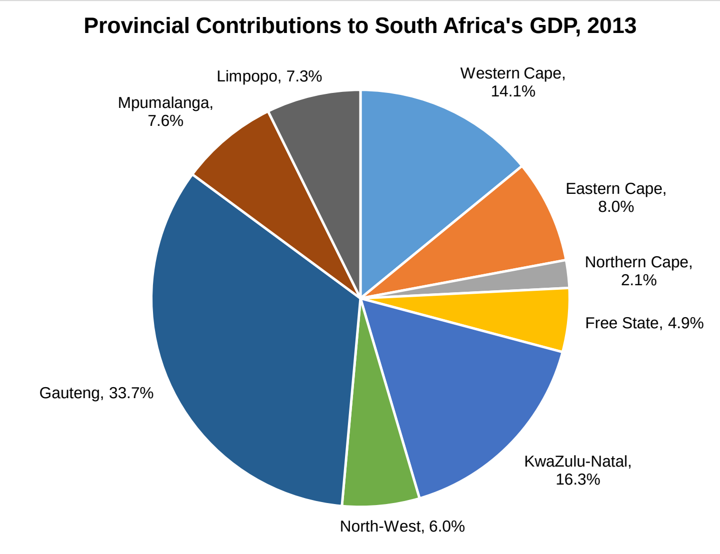
Source: Stats SA GDP 3rd Quarter 2023 (SA 2013-2022), National Treasury Budget Review 2024 (SA 2023-2026) and S&P Global, 2023 [South Africa Regional eXplorer, Version 2441] (NC 2013-2022)

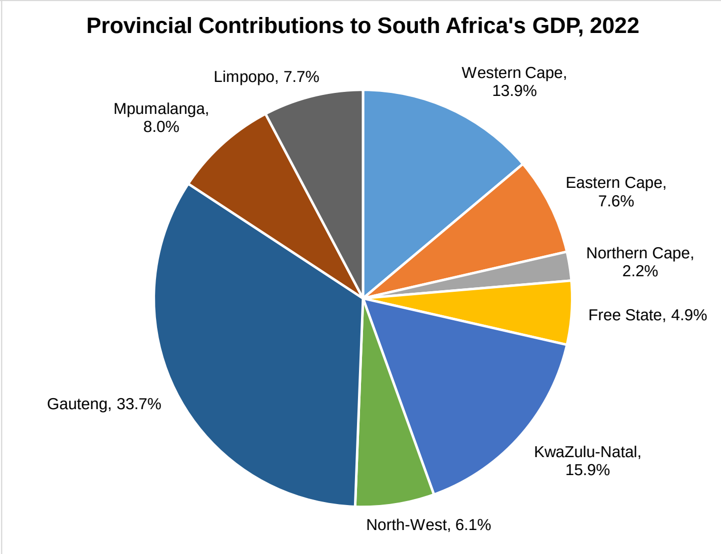
Over the period from 2013 to 2019, South Africa experienced fluctuating yet positive growth, with the GDP growth rate ranging between 0.3 and 2.5 per cent. In 2020, the national economy however recorded a significant contraction of -6.0 per cent. This was mainly brought about by the Covid-19 pandemic and its associated restrictions in the movement of people, goods and services. The national economy recorded some recovery in 2021 with a growth rate of 4.7 per cent. This is in line with the easing of various pandemic related restrictions. In 2022, the growth rate slowed again to only 1.9 per cent, reflecting some ongoing challenges. National Treasury estimated that the national economy grew by 0.6 per cent in 2023. Looking ahead, the forecasts for 2024 to 2026 indicate the expectation of a gradual but steady improvement in economic performance, with projected growth rates of 1.3, 1.6, and 1.8 per cent respectively.

The Northern Cape's economy exhibited a slightly more volatile growth pattern from 2013 to 2019, with fluctuations ranging from a low of -0.3 per cent to a high of 2.4 per cent. The provincial economy experienced a slightly less pronounced contraction than the national economy in 2020 at a rate of -5.1 per cent, with slightly higher growth in 2021. Despite this volatility, the Northern Cape generally maintained positive growth rates, albeit with periods of contraction, experienced in 2016, 2019 and 2020.

Figure 2.3 illustrates the provincial contributions to South Africa's GDP in 2013 and 2022.

Figure 2.3: Provincial Contributions to South Africa's GDP, 2013 and 2022





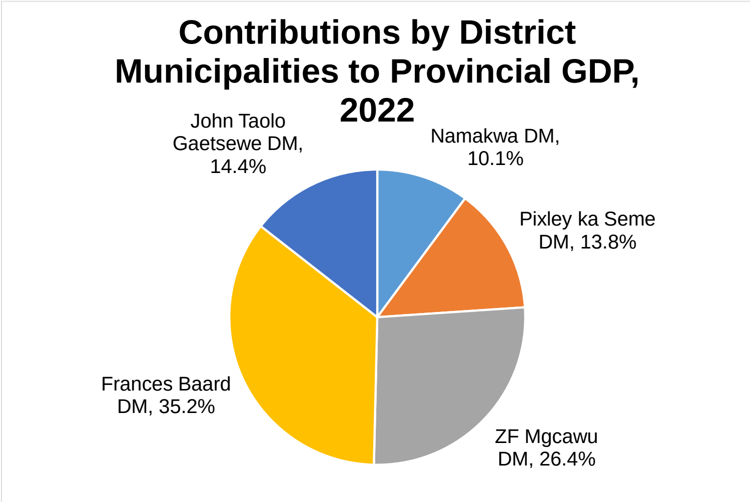
Current prices

Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441] and own calculations

In 2013, Gauteng was the leading contributor to the country's GDP, contributing 33.7 per cent, followed by KwaZulu-Natal at 16.3 per cent. Western Cape also made a substantial contribution, accounting for 14.1 per cent of national production. Free State and Northern Cape had relatively smaller contributions, at 4.9 and 2.1 per cent respectively. By 2022, the provincial contributions to South Africa's GDP saw only slight shifts. Gauteng remained the dominant contributor, with its share remaining constant. KwaZulu-Natal's contribution was still second largest, but reduced to 15.9 per cent. The Western Cape also maintained a significant contribution, albeit slightly lower at 13.9 per cent. Mpumalanga and Limpopo experienced slight increases in their contributions, reaching 8.0 and 7.7 per cent respectively. Northern Cape's contribution also saw a slight increase to 2.2 per cent.

Figure 2.4 presents the contributions by district municipalities to Northern Cape's provincial GDP in 2022.

Figure 2.4: Contributions by District Municipalities to Provincial GDP, 2022



Current prices

Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441] and own calculations

Frances Baard was the leading contributor to the GDP of the province, accounting for a significant share at 35.2 per cent. The second largest contributor was ZF Mgcawu, contributing 26.4 per cent. The Pixley ka Seme and John Taolo Gaetsewe districts contributed 13.8 and 14.4 per cent respectively. Namakwa made the smallest contribution among the districts at 10.1 per cent.

2.4.1 Sector Contributions

The data presented in Table 2.4 provides an overview of the Northern Cape's provincial industry growth rates and contributions to total industries for 2021 and 2022.

Table 2.4: Provincial Industry Growth and Contributions to Total Industries, 2021 and 2022

Industry	Growth Rate (%)		Contributions to Total Industries (%)	
	2021	2022	2021	2022
Primary Sector	**12.5**	**-4.7**	**30.6**	**30.8**
Agriculture	6.9	-0.6	7.5	8.4
Mining	15.9	-6.9	23.1	22.4
Secondary Sector	**4.9**	**-1.8**	**8.5**	**8.6**
Manufacturing	10.9	-1.1	3.8	3.7
Electricity	2.9	-2.9	3.1	3.2
Construction	-3.5	-1.7	1.7	1.7
Tertiary Sector	**2.6**	**3.1**	**60.9**	**60.5**
Trade	0.9	4.8	10.8	10.9
Transport	5.0	8.0	7.5	8.1
Finance	1.2	4.5	14.1	14.0
Community Services	3.2	0.2	28.4	27.5
Total Industries	**5.2**	**0.7**	**100.0**	**100.0**

Growth rate at constant 2015 prices, Contributions to total industries at current prices

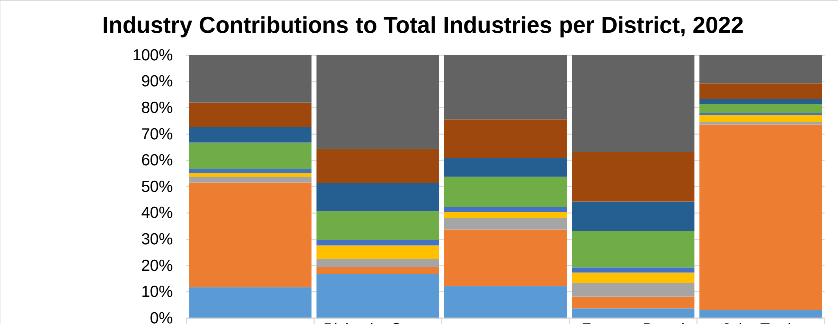
Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

Despite a significant reduction in its growth rate (from 12.5 per cent in 2021 to -4.7 per cent in 2022), the primary sector maintained a relatively stable contribution to the total industries of the province, increasing its contribution slightly from 30.6 to 30.8 per cent. This stability was influenced by the contrasting performance of agriculture recording a decrease in its growth rate from 6.9 to -0.6 per cent, but an increase in its contribution from 7.5 to 8.4 per cent, and mining that experienced a notable decline in both its growth rate (from 15.9 to -6.9 per cent) and its contribution to provincial total industries (from 23.1 to 22.4 per cent). The secondary sector and all of its industries contracted in 2022. This sector remained the smallest of the three sectors, contributing only 8.6 per cent to the total industries of the province in 2022. Manufacturing remained a very small industry, with its contribution reducing from 3.8 to 3.7 per cent.

The tertiary sector showed much better results, with all of its industries expanding in both 2021 and 2022. There was however a slight decrease in its contribution to the total industries of the province from 60.9 to 60.5 per cent. While the trade and transport industries saw an increase in their respective contributions to the total industries of the province, the finance industry recorded a slight decrease in its contribution (from 14.1 to 14.0 per cent). The community services industry saw a reduction in its growth rate from 3.2 to 0.2 per cent and a reduction in contribution from 28.4 to 27.5 per cent.

Figure 2.5 illustrates the industry contributions to total industries per district in 2022 across all five of the Northern Cape's districts.

Figure 2.5: Industry Contributions to Total Industries per District, 2022



	Namakwa DM	Pixley ka Seme DM	ZF Mgcawu DM	Frances Baard DM	John Taolo Gaetsewe DM
Community services	18.0%	35.5%	24.4%	36.8%	10.7%
Finance	9.3%	13.2%	14.6%	18.8%	6.0%
Transport	5.9%	10.7%	7.2%	11.2%	1.8%
Trade	10.1%	11.0%	11.6%	13.9%	3.5%
Construction	1.5%	2.0%	1.9%	2.0%	0.6%
Electricity	1.5%	5.2%	2.2%	4.0%	2.7%
Manufacturing	2.1%	3.1%	4.3%	5.1%	0.9%
Mining	39.8%	2.6%	21.7%	4.5%	70.6%
Agriculture	11.7%	16.7%	12.1%	3.7%	3.0%

Current prices

Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

In Namakwa, mining contributed 39.8 per cent to the regional total industries, while community services contributed 18.0 per cent. Other sectors made relatively smaller contributions. The Pixley ka Seme district heavily relies on community services, accounting for more than a third (35.5 per cent) of the region's total industries, with agriculture, finance, trade and transport each contributing more than 10 per cent. In the ZF Mgcawu district, community services and mining each contributed more than 20 per cent to the district's total industries, with finance, trade and agriculture each contributing over 10 per cent. The Frances Baard district was heavily reliant on community services, accounting for more than third of the region's total industries. Finance, trade and transport each contributed more than 10 per cent, indicating a more service-oriented economy. In contrast, John Taolo Gaetsewe district was heavily dependent on mining, which contributed a staggering 70.6 per cent to total industries, with relatively smaller contributions from other sectors. Only community services also contributed more than 10 per cent to the total industries of the district.

2.5 Conclusion

The IMF's projections indicate a moderate global economic growth forecast for 2024 and 2025. South Africa experienced mixed trends in GDP growth over the analysed period, with significant challenges arising in 2020 with a contraction of -6.0 per cent attributable to the global pandemic and its associated restrictions. Despite this setback, there was a notable recovery in 2021, followed by a more modest growth rate in 2022. National Treasury's growth estimate for 2023 is cautious at 0.6 per cent, with forecasts indicating expectations of a gradual improvement in economic performance from 2024 to 2026. Conversely, the Northern Cape exhibited slightly more volatile growth patterns. Primary and secondary industries faced challenges in 2022 that caused all these industries to contract, while the tertiary industries recorded various levels of expansion. Inflation trends in South Africa displayed a gradual decline from January 2023 to January 2024, although remaining relatively high. Regionally, provincial contributions to South Africa's GDP saw slight shifts between 2013 and 2022, with Gauteng maintaining its dominance. A district-level analysis in the Northern Cape highlighted the diverse economic activities across the regions. Frances Baard made the largest contribution to the provincial economy, followed by ZF Mgcawu.

Chapter 3: Labour

3.1 Introduction

In order to get a better understanding of the intricacies of the provincial labour market, a comprehensive understanding of the national and provincial labour characteristics is essential. This chapter provides an analysis of the labour status of the province, considering changes in employment and unemployment. Overall, this analysis serves as a resource for policymakers and other stakeholders in formulating strategies aimed at enhancing employment opportunities, reducing unemployment and promoting sustainable development within the province.

3.2 National Labour Characteristics

3.2.1 Labour Market Status

The following table provides the labour market status of South Africa as at the fourth quarter of 2022 and the third and fourth quarters of 2023.

Table 3.1: Labour Market Status for South Africa, 2022 Q4, 2023 Q3 and 2023 Q4

Labour Market	2022 Q4 ('000)	2023 Q3 ('000)	2023 Q4 ('000)	Qtr-to-qtr change ('000)	Yr-on-yr change ('000)
Population aged 15-64	40 462	40 886	41 022	136	559
Labour force	23 688	24 594	24 619	25	931
Employed	15 934	16 745	16 723	-22	789
Unemployed	7 753	7 849	7 895	46	142
Not economically active	16 774	16 292	16 403	111	-371
Discouraged work-seekers	3 363	3 156	3 049	-107	-314
Other	13 412	13 136	13 354	218	-57
Rates	**(%)**	**(%)**	**(%)**	**(Percentage point)**	**(Percentage point)**
Unemployment rate	32.7	31.9	32.1	0.2	-0.6
Absorption rate	39.4	41.0	40.8	-0.2	1.4
Labour force participation rate	58.5	60.2	60.0	-0.2	1.5

Due to rounding, numbers do not necessarily add up to totals.

Source: Stats SA QLFS 4th Quarter 2023

The working age population (aged 15 to 64) increased by 136 000 from the third to the fourth quarter of 2023 and by 559 000 from the fourth quarter of 2022 to the fourth quarter of 2023. Despite an overall increase of 789 000 in the number of employed individuals on an annual basis, a slight decrease of 22 000 was observed on a quarterly basis. Unemployment figures however witnessed a more modest rise, with the number of unemployed individuals increasing by 46 000 on a quarterly basis and 142 000 on an annual basis. Discouraged work-seekers decreased by 107 000 from the previous quarter and by 314 000 on an annual basis.

At 60.0 per cent in the fourth quarter of 2023, the labour force participation rate was 1.5 percentage points higher than a year earlier, but 0.2 of a percentage point lower than in the previous quarter. This indicates that in the fourth quarter of 2023, 60.0 per cent of the working age population were economically active. Similar to the changes in the labour force participation rate, the absorption rate increased by 1.4 percentage points on an annual basis and decreased by 0.2 of a percentage point on a quarterly basis, to a value of 40.8 per cent. This means that 40.8 per cent of the people aged 15 to 64 were employed in the fourth quarter of 2023. The unemployment rate increased by 0.2 of a percentage point on a quarterly basis and decreased by 0.6 of a percentage point on an annual basis. As of the fourth quarter of 2023, the country's unemployment rate stood at 32.1 per cent.

Table 3.2 presents data on discouraged work-seekers, absorption rates and labour force participation rates for each of South Africa's provinces in the fourth quarter of 2023.

Table 3.2: Discouraged Work-Seekers, Absorption Rate and Labour Force Participation Rate per Province, 2023 Q4

Province	Discouraged workseekers ('000)	Absorption rate (%)	Labour force participation rate (%)
Western Cape	162	55.0	69.0
Eastern Cape	162	29.8	51.3
Northern Cape	103	39.1	53.5
Free State	117	38.3	60.8
KwaZulu-Natal	790	37.7	53.5
North West	339	32.8	53.7
Gauteng	502	45.0	67.9
Mpumalanga	313	39.7	61.0
Limpopo	561	37.4	53.6
South Africa	**3 049**	**40.8**	**60.0**

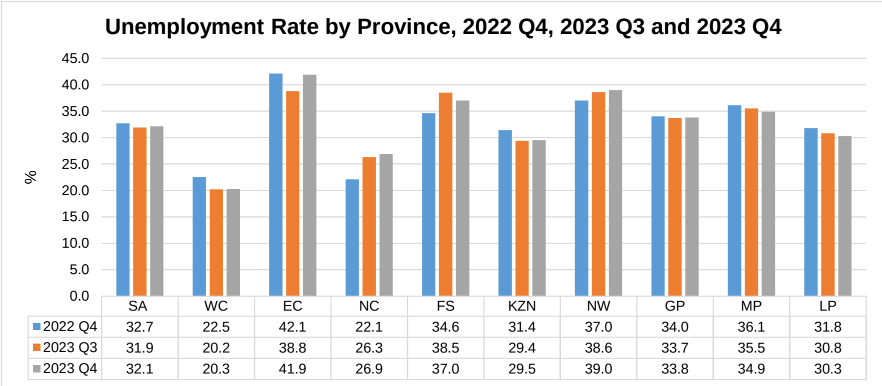
Due to rounding, numbers do not necessarily add up to totals.
Source: Stats SA QLFS 4th Quarter 2023

Limpopo and KwaZulu-Natal exhibited the largest numbers of discouraged work-seekers at 561 000 and 790 000 respectively. The Western Cape emerged as the province with the highest absorption rate at 55.0 per cent, followed by Gauteng at 45.0 per cent and Mpumalanga at 39.7 per cent. The Western Cape also led with a labour force participation rate of 69.0 per cent, followed by Gauteng at 67.9 per cent and Mpumalanga at 61.0 per cent.

3.2.2 Unemployment

Figure 3.1 presents the unemployment rates of the various provinces for the fourth quarter of 2022 and the third and fourth quarters of 2023.

Figure 3.1: Unemployment Rate by Province, 2022 Q4, 2023 Q3 and 2023 Q4



Source: Stats SA QLFS 4th Quarter 2023

The Western Cape had the lowest unemployment rate in the fourth quarter of 2023 at 20.3 per cent, while the highest unemployment rate was observed in the Eastern Cape at almost double this (41.9 per cent). Looking at the quarterly changes, Free State, Mpumalanga and Limpopo recorded reduced unemployment rates. On an annual basis however, the unemployment rates of the Western Cape, Eastern Cape, KwaZulu-Natal, Gauteng, Mpumalanga and Limpopo saw a decline, while the remaining provinces saw their respective unemployment rates increase. The Northern Cape had the second lowest unemployment rate in the country at the end of 2023 at 26.9 per cent.

3.2.3 Employment

Table 3.3 presents data on employment by industry for South Africa of the fourth quarter of 2022 and the third and fourth quarters of 2023.

Table 3.3: Employment by Industry for South Africa, 2022 Q4, 2023 Q3 and 2023 Q4

Industry	2022 Q4 ('000)	2023 Q3 ('000)	2023 Q4 ('000)	Qtr-to-qtr change ('000)	Yr-on-yr change ('000)
Agriculture	860	956	920	-35	60
Mining	436	409	446	37	9
Manufacturing	1 656	1 508	1 507	-1	-149
Utilities	124	113	123	9	-2
Construction	1 212	1 357	1 322	-36	110
Trade	3 297	3 390	3 362	-28	65
Transport	982	966	1 023	57	40
Finance	2 484	2 836	2 964	128	480
Community and social services	3 727	4 084	3 913	-171	186
Private households	1 142	1 116	1 134	18	-8

Due to rounding, numbers do not necessarily add up to totals.

Source: Stats SA QLFS 4th Quarter 2023

In the fourth quarter of 2023, employment was the highest in community and social services (3 913 000), trade (3 362 000) and finance (2 964 000). The industries with the lowest employment levels were utilities (123 000) and mining (446 000). On an annual basis, there was a decrease in employment in manufacturing (149 000), utilities (2 000) and private households (8 000), while it increased in the remaining industries. On a quarterly basis, an increase in employment was recorded in mining (37 000), utilities (9 000), transport (57 000), finance (128 000) and private households (18 000) with the remaining industries experiencing a decrease in employment.

3.3 Provincial Labour Characteristics

3.3.1 Labour Market Status

Table 3.4 provides information on the labour market status of the Northern Cape for the fourth quarter of 2022 and the third and fourth quarters of 2023.

Table 3.4: Labour Market Status for Northern Cape, 2022 Q4, 2023 Q3 and 2023 Q4

Labour market	2022 Q4 ('000)	2023 Q3 ('000)	2023 Q4 ('000)	Qtr-to-qtr change ('000)	Yr-on-yr change ('000)
Population aged 15-64	829	834	836	2	7
Labour force	431	446	447	2	17
Employed	336	328	327	-2	-9
Unemployed	95	117	120	3	25
Not economically active	398	389	389	0	-9
Discouraged work-seekers	130	94	103	9	-27
Others	269	294	286	-8	17
Rate	**(%)**	**(%)**	**(%)**	**(Percentage point)**	**(Percentage point)**
Unemployment rate	22.1	26.3	26.9	0.6	4.8
Absorption rate	40.5	39.4	39.1	-0.3	-1.4
Labour force participation rate	51.9	53.4	53.5	0.1	1.6

Due to rounding, numbers do not necessarily add up to totals.
Source: Stats SA QLFS 4th Quarter 2023

The working age population (aged 15 to 64 years) increased slightly from 829 000 in the fourth quarter of 2022 to 836 000 in the fourth quarter of 2023, with the labour force also experiencing a small increase from 431 000 to 447 000 over the same period. This led to an increase in the labour force participation rate from 51.9 per cent to 53.5 per cent. The number of unemployed people increased by 3 000 on a quarterly basis and by 25 000 on an annual basis, resulting in a marginal increase in the provincial unemployment rate on a quarterly basis (0.6 of a percentage point), with a more substantial increase on an annual basis (4.8 percentage points) to 26.9 per cent in the fourth quarter of 2023. On a quarterly basis, the number of employed individuals reduced by about 2 000, while it reduced by approximately 9 000 on an annual basis, resulting in a 0.3 of a percentage point decrease in the absorption rate on a quarterly basis and a 1.4 percentage point decrease on an annual basis. There was an increase of 9 000 people in the number of discouraged work-seekers when compared to the previous quarter, but on an annual basis there was a reduction of 27 000.

Table 3.5 provides a snapshot of employment and unemployment figures across the districts in the Northern Cape for 2022.

Table 3.5: Number Employed, Unemployed and Unemployment Rate per District, 2022

District	2022		
	Employed	**Unemployed**	**Unemployment rate (%)**
Namakwa DM	34 792	13 591	28.0
Pixley ka Seme DM	52 610	17 963	25.1
ZF Mgcawu DM	87 426	21 079	19.5
Frances Baard DM	109 084	36 502	25.8
John Taolo Gaetsewe DM	40 324	22 709	34.7

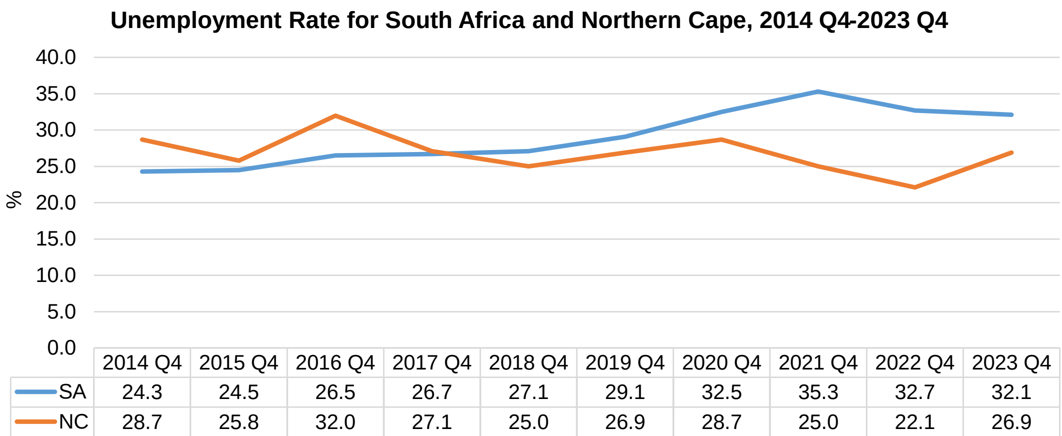
Source: S&P Global: South Africa Regional eXplorer, 2024 [Version 2441]

ZF Mgcawu showed a relatively lower unemployment rate than the other districts at 19.5 per cent, indicating a lower level of unemployment. The Namakwa, Pixley ka Seme and Frances Baard districts had unemployment rates between 25 and 28 per cent, reflecting more challenges with regard to employment. John Taolo Gaetsewe, with an estimated unemployment rate of 34.7 per cent, however stood out as the district with the highest level of unemployment, signalling the need for targeted interventions to address job creation in this area.

3.3.2 Unemployment

Figure 3.2 provides the unemployment rates for South Africa and the Northern Cape for the fourth quarter of each year from 2014 to 2023.

Figure3.2: Unemployment Rate for South Africa and Northern Cape, 2014 Q4-2023 Q4



Source: Stats SA QLFS 4th Quarter 2023 (QLFS trends)

The South African unemployment rate gradually increased from 24.3 per cent in 2014 to a high of 35.3 per cent in 2021, before decreasing to 32.1 per cent in 2023. This trend shows a prolonged period of high unemployment levels, which peaked in 2021 before showing a slight recovery in the subsequent years. In the Northern Cape, the unemployment rate fluctuated between a high of 32.0 per cent and a low of 22.1 per cent from 2016 to 2022. It then increased again to 26.9 per cent in 2023. Unlike South Africa as a whole, the unemployment rate of the Northern Cape did not follow a steady upward trend over this period. From 2018 and onward, the provincial unemployment rate was lower than the national rate.

Table 3.6 presents data on the unemployment rate by race and gender for the Northern Cape for 2013 and 2022.

Table 3.6: Unemployment Rate by Race and Gender for Northern Cape, 2013 and 2022

Race	2013			2022		
	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)
African	28.6	37.1	32.3	24.0	30.3	26.8
White	4.1	9.2	6.3	3.6	6.3	4.7
Coloured	30.0	33.4	31.5	27.6	31.6	29.3
Asian	15.3	32.9	19.5	16.2	41.3	22.3
Total	**26.4**	**32.6**	**29.1**	**23.4**	**28.7**	**25.7**

Source: S&P Global: South Africa Regional eXplorer, 2024 [Version 2441]

The African male unemployment rate reduced from 28.6 per cent in 2013 to 24.0 per cent in 2022, while African females experienced a decrease from 37.1 to 30.3 per cent over the same period. White males and females saw a slight decrease in their respective unemployment rates, from 4.1 to 3.6 per cent and from 9.2 to 6.3 per cent. Similarly, Coloured males and females experienced a decrease from 30.0 to 27.6 per cent and from 33.4 to 31.6 per cent respectively. Conversely, Asian males and females had an increase in their respective unemployment rates, from 15.3 to 16.2 per cent and from 32.9 to 41.3 per cent. Across all racial groups, female unemployment rates were higher than that of males.

3.3.3 Employment

Table 3.7 presents data on employment by industry in the Northern Cape for the fourth quarter of 2022 and the third and fourth quarters of 2023, with Figure 3.3 providing a visual representation of the distribution of employment among the industries in the fourth quarter of 2023.

Table 3.7: Employment by Industry for Northern Cape, 2022 Q4, 2023 Q3 and 2023 Q4

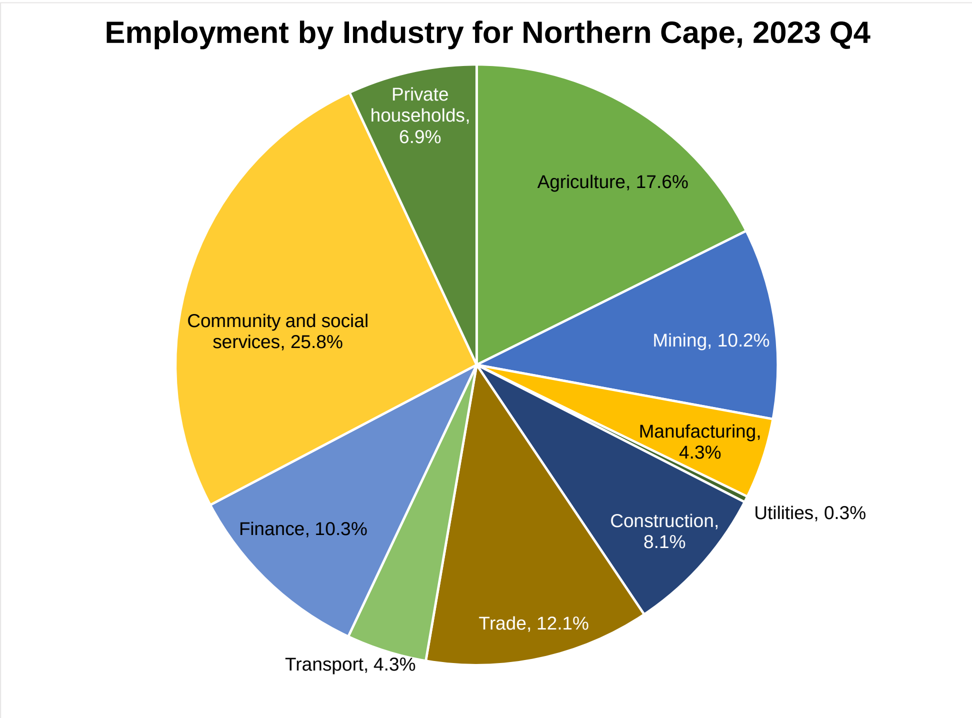
Industry	2022 Q4 ('000)	2023 Q3 ('000)	2023 Q4 ('000)	Qtr-to-qtr change ('000)	Yr-on-yr change ('000
Agriculture	52	52	58	5	6
Mining	19	24	33	10	15
Manufacturing	11	15	14	-1	3
Utilities	2	-	1	-	-1
Construction	23	34	26	-7	4
Trade	55	38	39	1	-16
Transport	18	12	14	2	-4
Finance	28	31	33	3	5
Community and social services	106	98	84	-14	-22
Private households	21	26	23	-3	1

Due to rounding, numbers do not necessarily add up to totals.

For all values of 10 000 or lower the sample size is too small for reliable estimates.

Source: Stats SA QLFS 4th Quarter 2023

Figure 3.3: Employment by Industry for Northern Cape, 2023 Q4



Source: Stats SA QLFS 4th Quarter 2023 and own calculations

There was a significant increase in employment in the mining sector from 19 000 in the fourth quarter of 2022 to 33 000 in the fourth quarter of 2023, showing an increase of 15 000 jobs on an annual basis. Agriculture also saw an increase in employment from 52 000 in the fourth quarter of 2022 to 58 000 in the fourth quarter of 2023, marking a year-on-year increase of 6 000 jobs. The manufacturing industry experienced an increase in employment from 11 000 in the fourth quarter of 2022 to 14 000 in the fourth quarter of 2023. Construction, finance and private households also experienced increased employment levels on an annual basis. On a quarterly basis employment increased in agriculture (5 000), mining (10 000), trade (1 000), transport (2 000) and finance (3 000), but decreased in the remaining industries.

The community and social services industry remained the largest employing industry in the province over the review period, employing just over a quarter of the provincial workforce in the fourth quarter of 2023. This was followed by agriculture (17.6 per cent) and trade (12.1 per cent). The utilities industry was a very small employer in the province, employing only 0.3 per cent of the employed people within the province.

Table 3.8 provides data on informal employment by industry in the Northern Cape for 2013 and 2022.

Table 3.8: Informal Employment by Industry for Northern Cape, 2013 and 2022

Industry	2013		2022	
	Number	Share (%)	Number	Share (%)
Manufacturing	2 589	8.5	2 410	8.4
Construction	5 022	16.4	4 079	14.2
Trade	11 737	38.4	10 038	34.9
Transport	1 963	6.4	2 443	8.5
Finance	2 475	8.1	3 456	12.0
Community services	6 782	22.2	6 361	22.1
Total	30 568	100.0	28 787	100.0

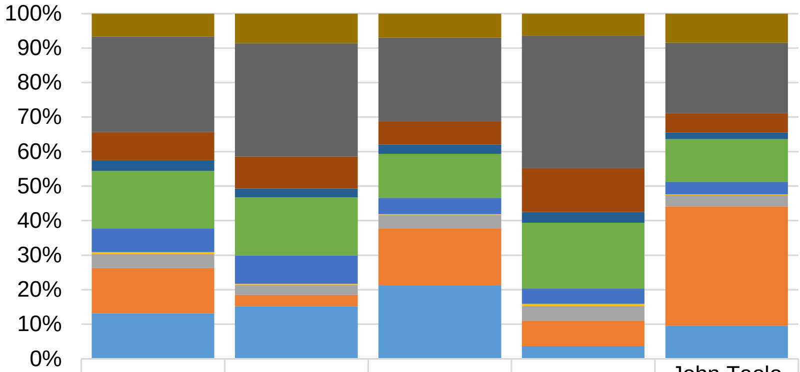
Source: S&P Global: South Africa Regional eXplorer, 2024 [Version 2441]

Informal sector employment reduced in manufacturing, construction, trade and community services, while it increased in transport and finance from 2013 to 2022. This also brought about a reduction in the informal sector workforce of the province. The trade sector had the largest number of informal workers at an estimated 11 737 (38.4 per cent) in 2013 and 10 038 (34.9 per cent) in 2022, followed by the community services sector with 6 782 informal workers (22.2 per cent) in 2013 and 6 361 (22.1 per cent) in 2022.

Figure 3.4 presents the distribution of total employment (formal plus informal) across the industries within the districts for 2022.

Figure 3.4: Employment by Industry per District, 2022

Employment by Industry per District, 2022



	Namakwa DM	Pixley ka Seme DM	ZF Mgcawu DM	Frances Baard DM	John Taolo Gaetsewe DM
Households	6.7%	8.6%	7.0%	6.4%	8.5%
Community services	27.7%	32.8%	24.2%	38.4%	20.4%
Finance	8.1%	9.2%	6.8%	12.7%	5.6%
Transport	3.1%	2.5%	2.7%	3.1%	1.9%
Trade	16.6%	16.9%	12.8%	19.1%	12.4%
Construction	6.9%	8.2%	4.7%	4.4%	3.6%
Electricity	0.6%	0.3%	0.2%	0.6%	0.3%
Manufacturing	4.1%	2.9%	3.9%	4.3%	3.2%
Mining	13.1%	3.3%	16.4%	7.3%	34.6%
Agriculture	13.2%	15.2%	21.3%	3.7%	9.5%

Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441] and own calculations

While mining was a significant employer in John Taolo Gaetsewe, accounting for more than a third of its total workforce, it was less pronounced in other districts, ranging from 3.3 to 16.4 per cent. Employment in community services was notably high in the four remaining districts, accounting for 27.7 per cent of the workers in Namakwa, 32.8 per cent in Pixley ka Seme, 24.2 per cent in ZF Mgcawu and 38.4 per cent in Frances Baard. In Namakwa, the trade, mining and agriculture industries each employed more than 13 per cent of the district's workers. In Pixley ka Seme, the trade and agriculture industries also played a significant role, employing more than 15 per cent of the workers each. The trade, mining and agriculture industries played a big part in employing people in the ZF Mgcawu district, each accounting for between 12 and 22 per cent of the workers. In Frances Baard, trade and finance were the second and third largest employing industries respectively. This data underscores the economic diversity and varying employment opportunities across the different regions within the province.

3.4 Conclusion

Despite sustained population growth, reflected in an increasing working age population, the labour market experienced fluctuations in employment and unemployment rates across the different quarters. While there was an annual increase in the national number of employed individuals, some industries witnessed declines in employment, signalling potential volatility. Provincially, there was however a quarterly and annual reduction in the number of employed people accompanied by an increase in the unemployed. This led to a marginal increase in the provincial unemployment rate on a quarterly basis, but a more pronounced increase on an annual basis. Moreover, the rise in the provincial unemployment rate highlights the need for concerted efforts to address structural challenges and foster inclusive economic growth. Provincially, variations in labour market conditions further emphasise the importance of targeted interventions to address localised challenges and disparities.

Chapter 4: Human Development

4.1 Introduction

In this chapter, an analysis of some of the human development indicators are provided. This is imperative to examine if there was a change in the lives of people, and the state of service delivery in the province and the country as a whole.

4.2 Poverty

Table 4.1 shows the number of people who were living in poverty for all the provinces, comparing 2013 and 2022.

Table 4.1: Poverty Indicators by Province, 2013 and 2022

Provinces	2013			2022		
	Total Population	No. of People in Poverty	Percentage of People in Poverty	Total Population	No. of People in Poverty	Percentage of People in Poverty
Western Cape	6 027 835	2 441 071	40.5%	7 015 905	3 349 234	47.7%
Eastern Cape	6 810 136	4 466 019	65.6%	7 471 281	5 327 268	71.3%
Northern Cape	**1 165 079**	**587 347**	**50.4%**	**1 339 951**	**738 856**	**55.1%**
Free State	2 812 465	1 580 457	56.2%	2 990 924	1 801 898	60.2%
KwaZulu-Natal	10 783 968	6 657 561	61.7%	11 973 891	8 342 763	69.7%
North-West	3 672 940	2 033 891	55.4%	4 198 010	2 572 088	61.3%
Gauteng	12 676 712	5 270 281	41.6%	15 311 876	7 636 405	49.9%
Mpumalanga	4 129 728	2 404 478	58.2%	4 673 523	3 007 467	64.4%
Limpopo	5 574 923	3 751 885	67.3%	6 136 475	4 387 025	71.5%
South Africa	**53 653 787**	**29 192 990**	**54.4%**	**61 111 836**	**37 163 005**	**60.8%**

Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

The three provinces with the largest percentages of people living in poverty in South Africa in 2013 were Limpopo (67.3 per cent), Eastern Cape (65.6 per cent) and KwaZulu-Natal (61.7 per cent). The Northern Cape had the third smallest percentage of people living in poverty in the same year at 50.4 per cent. In 2022, Limpopo still had the largest share (71.5 per cent), followed by Eastern Cape (71.3 per cent) and KwaZulu-Natal (69.7 per cent), while the Western Cape had the smallest percentage in both years. In 2022, 55.1 per cent of people in the Northern Cape were living in poverty.

The following table presents poverty indicators for the five districts in the province for 2013 and 2022.

Table 4.2: Poverty Indicators by District, 2013 and 2022

District	2013			2022		
	Total Population	No. of People in Poverty	Percentage of People in Poverty	Total Population	No. of People in Poverty	Percentage of People in Poverty
Namakwa DM	127 984	46 844	36.6%	141 357	53 946	38.2%
Pixley Ka Seme DM	197 177	97 648	49.5%	221 448	110 379	49.8%
ZF Mgcawu DM	251 227	114 430	45.5%	285 740	140 010	49.0%
Frances Baard DM	371 484	204 026	54.9%	434 284	275 435	63.4%
John Taolo Gaetsewe DM	217 207	124 399	57.3%	257 121	159 087	61.9%
Northern Cape	**1 165 079**	**587 347**	**50.4%**	**1 339 951**	**738 856**	**55.1%**

Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

In 2013, John Taolo Gaetsewe had the highest poverty rate in Northern Cape at 57.3 per cent. This was followed by Frances Baard at 54.9 per cent, while Namakwa had the lowest (36.6 per cent). At 63.4 per cent, Frances Baard was the district with the highest poverty rate in 2022, followed by John Taolo Gaetsewe (61.9 per cent). All districts experienced an increase in their poverty levels over the review period.

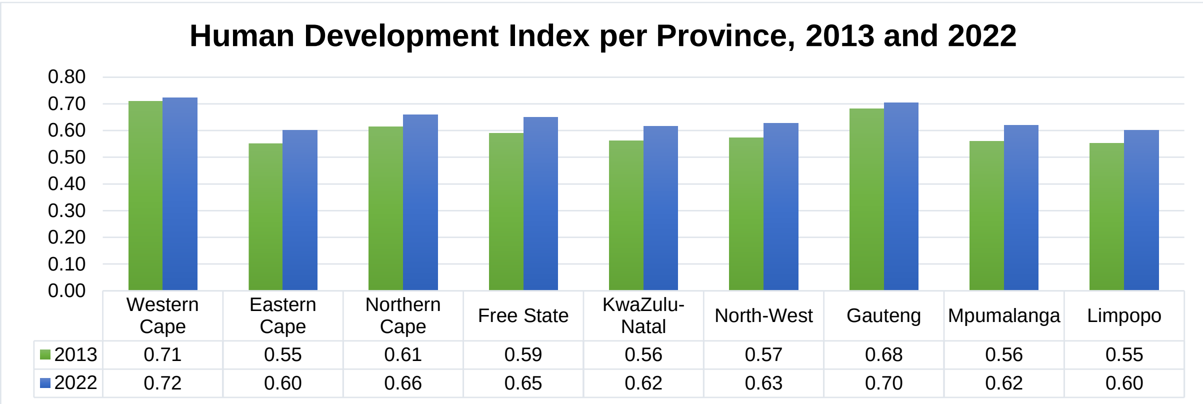
4.3 Development Indicators

This section provides an analysis of some of the indicators measuring the level of development. These are the Human Development Index (HDI), the Gini-coefficient (used to measure income inequality) and income distribution.

4.3.1 Human Development Index

Figure 4.1 depicts the HDI for all provinces for 2013 and 2022.

Figure 4.1: Human Development Index per Province, 2013 and 2022



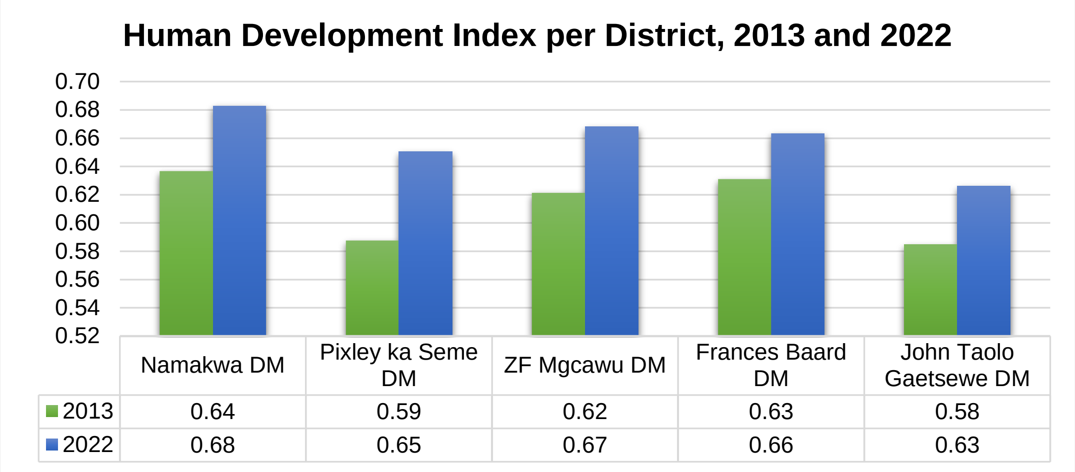
	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North-West	Gauteng	Mpumalanga	Limpopo
2013	0.71	0.55	0.61	0.59	0.56	0.57	0.68	0.56	0.55
2022	0.72	0.60	0.66	0.65	0.62	0.63	0.70	0.62	0.60

Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

All provinces had an increase in their HDIs over the period under review, albeit small. This implies that there had been some kind of development in these provinces, although it is smaller in some provinces compared to others. Northern Cape's HDI rose from 0.61 in 2013 to 0.66 in 2022. Western Cape and Gauteng had the highest HDIs, indicating that these provinces had higher levels of development.

Figure 4.2 depicts the HDI of the districts for 2013 and 2022.

Figure 4.2: Human Development Index per District, 2013 and 2022



	Namakwa DM	Pixley ka Seme DM	ZF Mgcawu DM	Frances Baard DM	John Taolo Gaetsewe DM
2013	0.64	0.59	0.62	0.63	0.58
2022	0.68	0.65	0.67	0.66	0.63

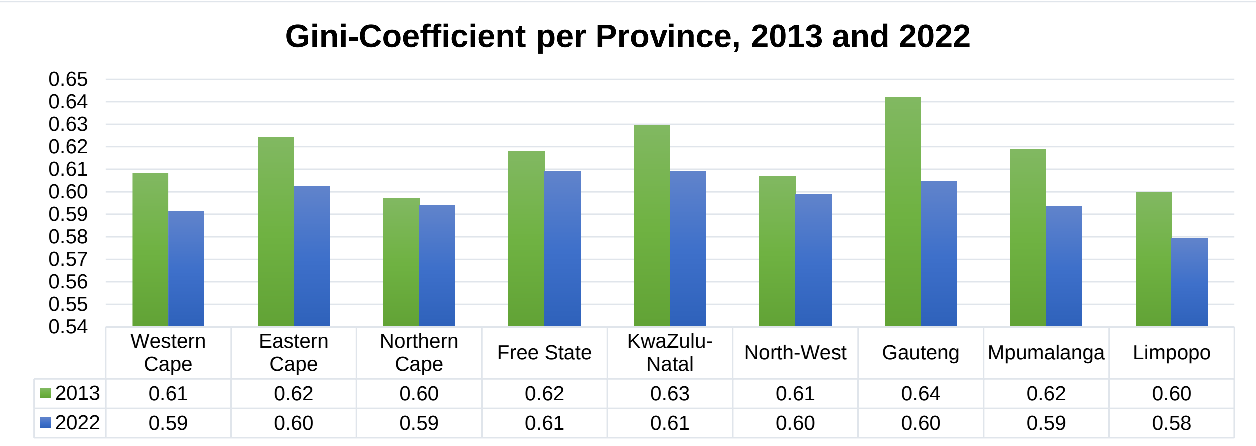
Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

All districts also had an increase in their respective HDIs. Namakwa had the largest HDI, while John Taolo Gaetsewe had the lowest in both 2013 and 2022. Pixley ka Seme had the largest increase in its HDI between 2013 and 2022, while Frances Baard had the smallest.

4.3.2 Income Distribution

Figure 4.3 displays the Gini-coefficient for all the provinces, comparing 2013 and 2022.

Figure 4.3: Gini-Coefficient per Province, 2013 and 2022



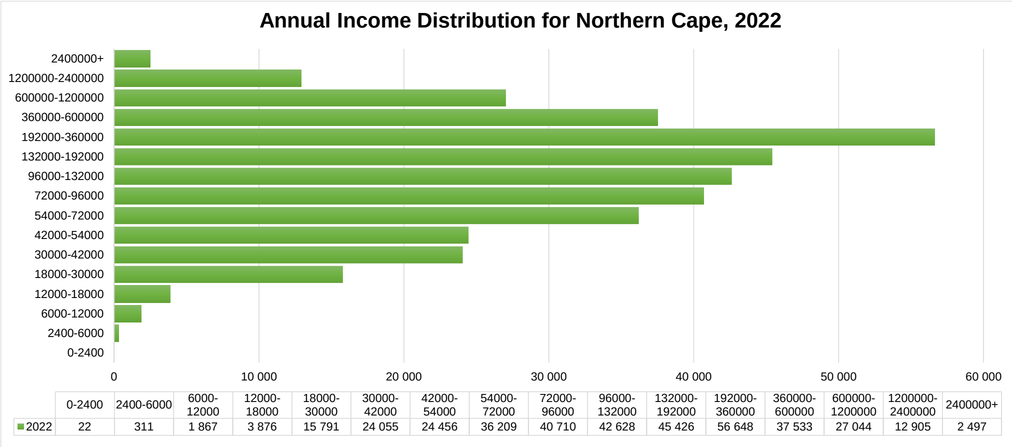
	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North-West	Gauteng	Mpumalanga	Limpopo
2013	0.61	0.62	0.60	0.62	0.63	0.61	0.64	0.62	0.60
2022	0.59	0.60	0.59	0.61	0.61	0.60	0.60	0.59	0.58

Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

It is worth noting that, although small, all provinces experienced a decline in their respective Gini-coefficients. This indicates that there was a reduction (narrowing) in the income inequality. The Northern Cape's Gini-coefficient declined by 0.01 from 0.60 in 2013 to 0.59 in 2022.

Figure 4.4 presents the number of households by various annual income categories for the Northern Cape in 2022.

Figure 4.4: Annual Income Distribution for Northern Cape, 2022



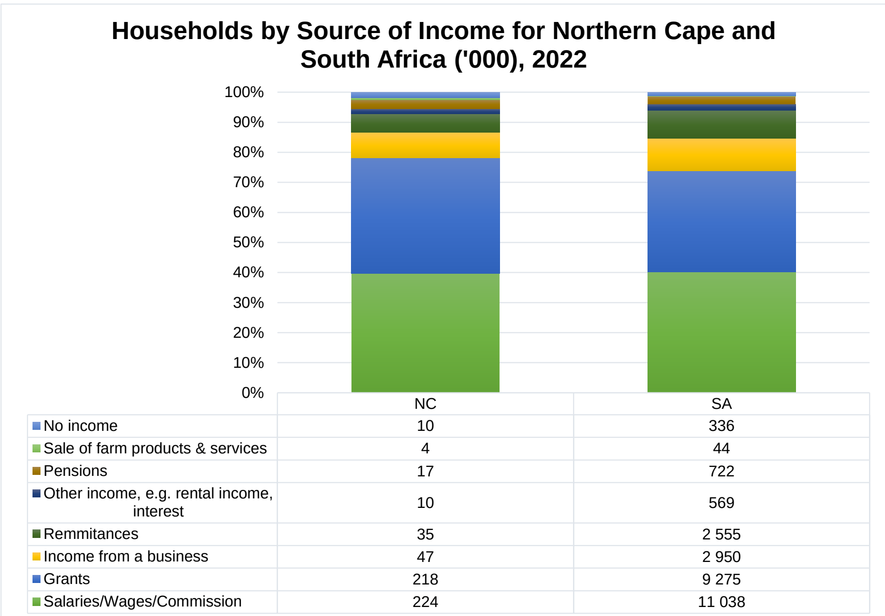
	0-2400	2400-6000	6000-12000	12000-18000	18000-30000	30000-42000	42000-54000	54000-72000	72000-96000	96000-132000	132000-192000	192000-360000	360000-600000	600000-1200000	1200000-2400000	2400000+
2022	22	311	1 867	3 876	15 791	24 055	24 456	36 209	40 710	42 628	45 426	56 648	37 533	27 044	12 905	2 497

Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

The largest number of households in the province were earning in the R192 000 to R360 000 income category. This was followed by households in the R132 000 to R192 000 income category. The smallest number of households were found in the R0 to R2 400 income category.

Figure 4.5 illustrates the number of households by income source for the Northern Cape and South Africa in 2022.

Figure 4.5: Households by Source of Income for Northern Cape and South Africa ('000), 2022



	NC	SA
No income	10	336
Sale of farm products & services	4	44
Pensions	17	722
Other income, e.g. rental income, interest	10	569
Remmitances	35	2 555
Income from a business	47	2 950
Grants	218	9 275
Salaries/Wages/Commission	224	11 038

Source: Stats SA, GHS, 2022

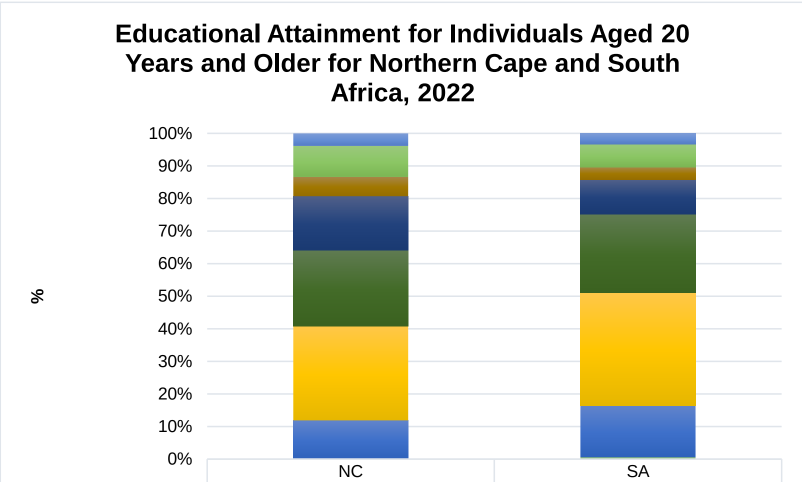
Most of the households in the Northern Cape and South Africa got their income from salaries, wages or commission. This was followed by those who derived income from grants, businesses, remittances and pensions. Only a small number of households' earned an income from the sale of farm products and services. This figure illustrates the high levels of dependence on grants.

4.4 Access to Services

4.4.1 Education

Figure 4.6 shows the educational attainment for people aged 20 years and older in the Northern Cape and South Africa for 2022.

Figure 4.6: Educational Attainment for Individuals Aged 20 Years and Older for Northern Cape and South Africa, 2022



	NC	SA
None	3.8%	3.3%
Some Primary	9.6%	7.1%
Completed Primary	5.9%	3.8%
Lower Secondary	16.5%	10.6%
Upper Secondary	23.4%	24.2%
NSC/Grade 12	28.9%	34.6%
Post School	11.8%	15.9%
Other	0.1%	0.6%

Source: Stats SA, GHS, 2022

The largest share of people in the Northern Cape and South Africa had a National Senior Certificate (NSC) or Grade 12. In the province, this was followed by those who had upper secondary education and those with lower secondary education, while on a national level, it was followed by upper secondary education and post school education.

The following table shows the educational attainment of individuals aged 20 years and older in the respective districts in the province for 2013 and 2022.

Table 4.3: Northern Cape Educational Attainment per District, 2013 and 2022

District	Year	No schooling	Grade 0-2	Grade 3-6	Grade 7-9	Grade 10-11	Certificate / diploma without matric	Matric only	Matric & certificate / diploma	Matric & Bachelors degree	Matric & Postgrad degree
Namakwa DM	2013	4 838	1 934	12 615	28 516	13 941	396	16 757	4 416	2 264	778
	2022	3 366	1 318	9 802	29 197	21 231	365	24 798	6 882	1 917	1 186
Pixley ka Seme DM	2013	15 242	4 115	18 782	27 933	19 369	465	24 736	3 681	3 810	1 141
	2022	10 406	2 759	15 038	29 762	30 500	475	37 949	6 097	3 612	1 670
ZF Mgcawu DM	2013	12 668	4 961	22 521	41 325	30 801	614	36 010	6 001	3 747	1 283
	2022	8 105	3 392	17 075	42 633	47 728	482	54 968	9 270	3 146	1 674
Frances Baard DM	2013	19 968	5 451	24 663	45 772	49 304	1 219	62 001	11 922	7 958	3 216
	2022	12 233	3 207	19 513	45 457	69 877	771	91 199	19 041	8 963	5 060
John Taolo Gaetsewe DM	2013	14 873	4 041	16 986	20 689	24 846	555	26 821	7 250	2 970	1 245
	2022	9 176	2 319	13 385	22 093	38 636	356	43 741	12 220	3 181	2 032

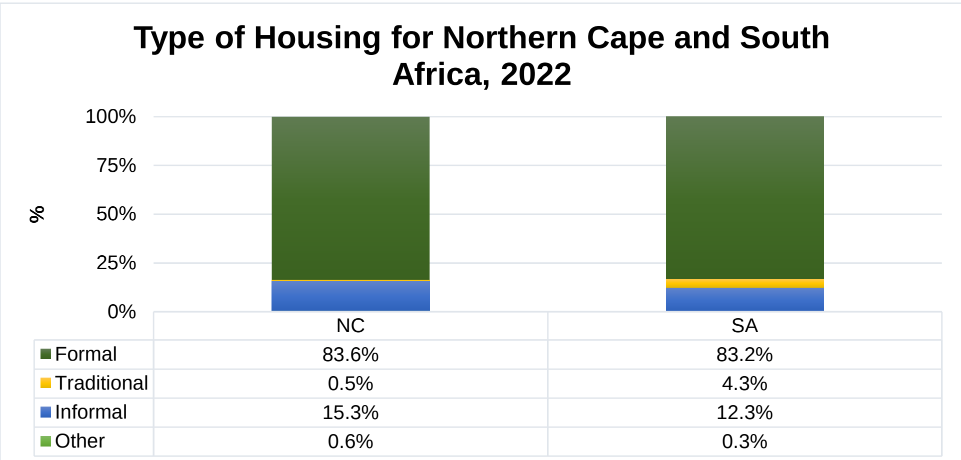
Source: S&P Global, 2023 [South Africa Regional eXplorer, Version 2441]

Even though it declined across all 5 districts, it is worrying to note that there were still people with no form of schooling at this point in time. Of these districts, Frances Baard had the largest number of people with no schooling in both 2013 and 2022, followed by Pixley ka Seme and John Taolo Gaetsewe. When comparing the education categories, the largest number of people were found to be having matric only in Pixley ka Seme, ZF Mgcawu, Frances Baard and John Taolo Gaetsewe in 2022. During the same year, the Grade 7-9 education category had the largest number of people in Namakwa. Looking at post-matric qualifications, the largest number of people were found to have matric and a certificate/diploma, while those with matric and a postgraduate degree constituted the smallest number of people across all districts and in 2022.

4.4.2 Housing

This sub-section provides insights into the dwelling types that households in the Northern Cape and South Africa were living in in 2022.

Figure 4.7: Type of Housing for Northern Cape and South Africa, 2022



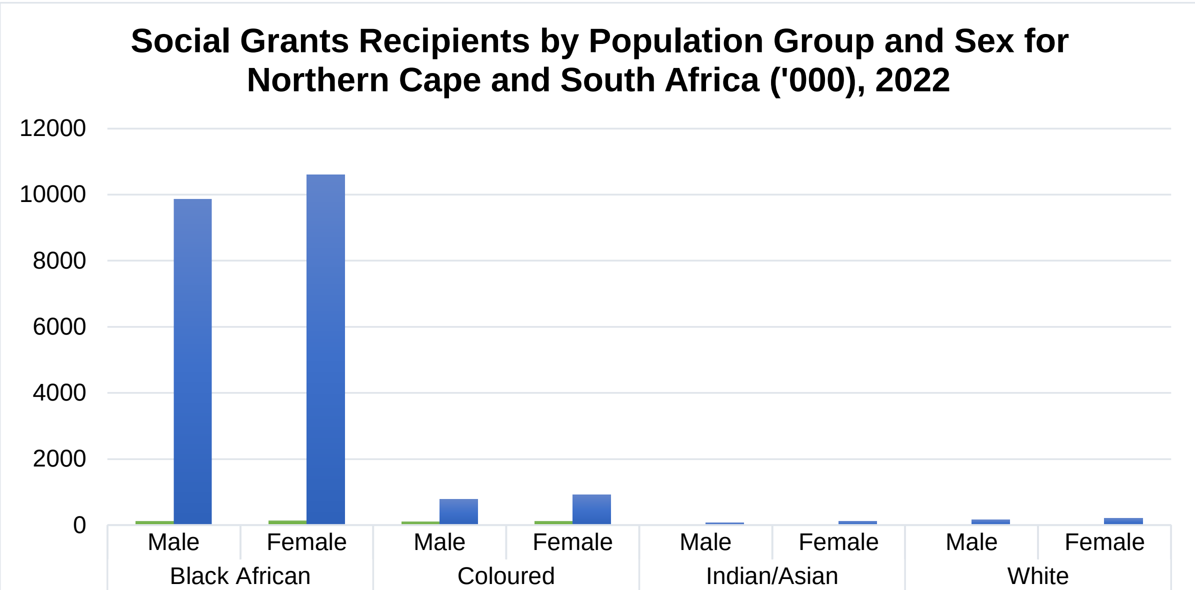
Source: Stats SA, GHS, 2022

The majority of households were staying in formal dwellings in the Northern Cape and South Africa in 2022. These households were estimated at 83.6 per cent for the province and 83.2 per cent for the country. Although informal dwellings followed as second most common dwelling type, it was at a much lower level at 15.3 per cent for the province and 12.3 per cent for South Africa.

4.5 Social Security

The following figure provides an overview of social grants beneficiaries for the Northern Cape and South Africa for 2022.

Figure 4.8: Social Grants Recipients by Population Group and Sex for Northern Cape and South Africa ('000), 2022



	Black African Male	Black African Female	Coloured Male	Coloured Female	Indian/Asian Male	Indian/Asian Female	White Male	White Female
NC	120	138	109	122			5	6
SA	9 867	10 593	783	916	83	114	155	205

Source: Stats SA, GHS, 2022

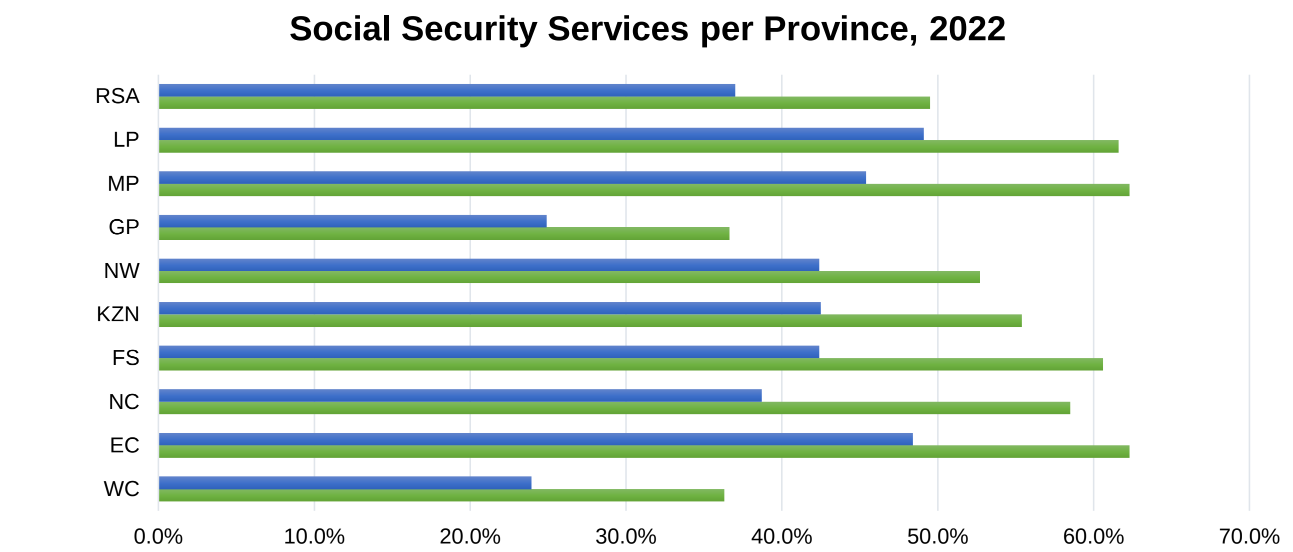
Totals exclude unspecified grant receipt.

Values based on three or less unweighted cases are considered too small to provide accurate estimates, and values are therefore excluded.

Black Africans constituted the majority of people receiving social grants in both the Northern Cape and South Africa. Regarding the gender breakdown of this population group, females formed the largest share of the beneficiaries. The Coloured population group followed, with females again representing the majority. Indians/Asians represented the minority, with females also surpassing their male counterparts on a national level.

Figure 4.9 illustrates the percentage of persons and households respectively who are recipients of social security services per province for 2022.

Figure 4.9: Social Security Services per Province, 2022



	WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
Persons	23.9%	48.4%	38.7%	42.4%	42.5%	42.4%	24.9%	45.4%	49.1%	37.0%
Households	36.3%	62.3%	58.5%	60.6%	55.4%	52.7%	36.6%	62.3%	61.6%	49.5%

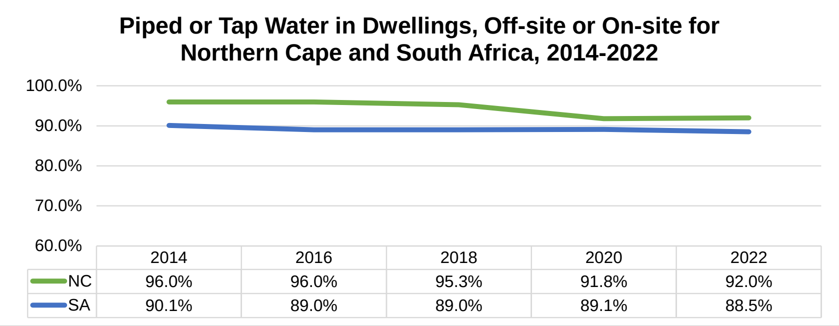
Source: Stats SA, GHS, 2022

At 49.1 per cent of people, Limpopo had the largest share of people receiving social grants. This was followed by the Eastern Cape (48.4 per cent) and Mpumalanga (45.4 per cent). The Northern Cape had the third smallest percentage of its people (38.7 per cent) benefiting from social grants. Regarding households who benefit from social security services, the Eastern Cape and Mpumalanga had the largest proportions in 2022 at 62.3 per cent each, followed by Limpopo (61.6 per cent) and Free State (60.6 per cent). The Northern Cape had 58.5 per cent of households benefiting from social grants.

4.6 Access to Basic Services

This sub-section briefly paints a picture of the provision of basic services in the Northern Cape and South Africa. Figure 4.10 illustrates the percentage distribution of households in the Northern Cape and South Africa with access to piped or tap water in their dwellings, off-site or on-site for 2022.

Figure 4.10: Piped or Tap Water in Dwellings, Off-site or On-site for Northern Cape and South Africa, 2014-2022



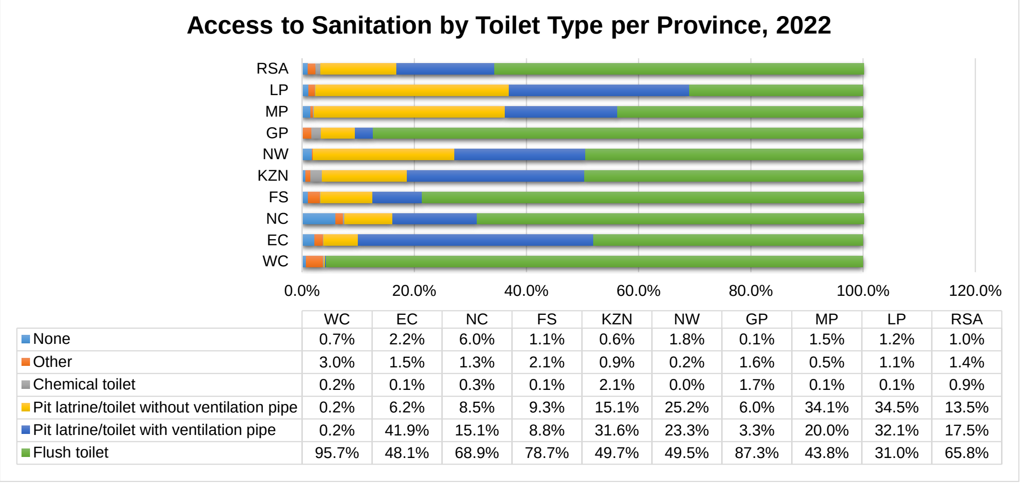
	2014	2016	2018	2020	2022
NC	96.0%	96.0%	95.3%	91.8%	92.0%
SA	90.1%	89.0%	89.0%	89.1%	88.5%

Source: Stats SA, GHS, 2022

The Northern Cape's graph shows a downward trend, indicating a decline in the share of households that had piped or tap water in their dwellings, off-site or on-site. There was a slight increase though in 2022 in comparison to 2020. In general, South Africa also had a decreasing trend in the percentage of households with access to piped or tap water in their dwellings, off-site or on-site.

The following graph shows the percentage of households by the type of toilet facility for each province for 2022.

Figure 4.11: Access to Sanitation by Toilet Type per Province, 2022



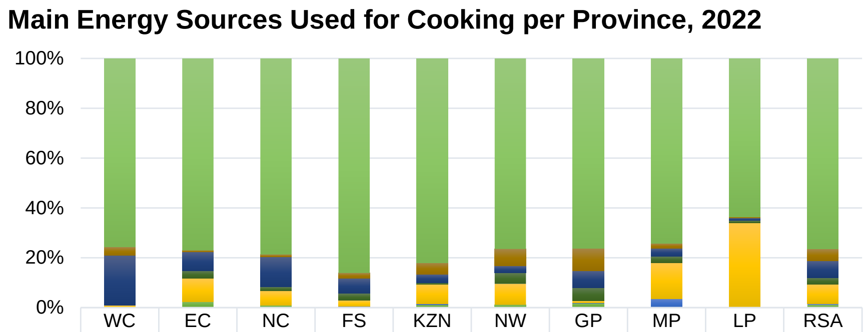
	WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
None	0.7%	2.2%	6.0%	1.1%	0.6%	1.8%	0.1%	1.5%	1.2%	1.0%
Other	3.0%	1.5%	1.3%	2.1%	0.9%	0.2%	1.6%	0.5%	1.1%	1.4%
Chemical toilet	0.2%	0.1%	0.3%	0.1%	2.1%	0.0%	1.7%	0.1%	0.1%	0.9%
Pit latrine/toilet without ventilation pipe	0.2%	6.2%	8.5%	9.3%	15.1%	25.2%	6.0%	34.1%	34.5%	13.5%
Pit latrine/toilet with ventilation pipe	0.2%	41.9%	15.1%	8.8%	31.6%	23.3%	3.3%	20.0%	32.1%	17.5%
Flush toilet	95.7%	48.1%	68.9%	78.7%	49.7%	49.5%	87.3%	43.8%	31.0%	65.8%

Source: Stats SA, GHS, 2022

In eight of the provinces, the largest share of households used flush toilets in 2022. In the Western Cape, 95.7 per cent of households were using flush toilets. In contrast, in Limpopo the largest share of households (34.5 per cent) were using pit latrines/toilets that did not have a ventilation pipe. The second largest type of toilet facility for the Eastern Cape, Northern Cape, KwaZulu-Natal, Limpopo and the country as a whole, was pit latrines/toilets with a ventilation pipe.

Figure 4.12 displays the distribution of various sources of energy used for cooking per province for 2022.

Figure 4.12: Main Energy Sources Used for Cooking per Province, 2022



	WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
Electricity	75.7%	77.1%	78.8%	86.2%	82.0%	76.6%	76.2%	74.3%	63.5%	76.5%
Other Electricity	3.4%	0.6%	1.0%	2.2%	4.7%	6.8%	9.0%	2.0%	0.5%	4.8%
Gas	19.9%	7.6%	12.0%	6.1%	3.3%	2.7%	6.8%	3.2%	1.1%	6.7%
Paraffin	0.2%	3.2%	1.7%	2.7%	0.6%	4.5%	5.3%	2.5%	0.8%	2.8%
Wood	0.5%	9.3%	5.8%	2.5%	8.0%	8.4%	0.7%	14.5%	33.8%	7.7%
Coal	0.0%	0.0%	0.0%	0.3%	0.2%	0.0%	0.2%	3.5%	0.2%	0.4%
Other	0.3%	2.3%	0.8%	0.1%	1.2%	1.1%	1.7%	0.0%	0.1%	1.1%

Source: Stats SA, GHS, 2022

In all 9 provinces, the most common energy source used for cooking was electricity, with Free State having the largest share (86.2 per cent), followed by KwaZulu-Natal (82.0 per cent) and Northern Cape (78.8 per cent). Compared to the other provinces, Limpopo had the smallest percentage (63.5 per cent). Wood was the second most common source of energy used in Limpopo, Mpumalanga, North West, KwaZulu-Natal and Eastern Cape. For Western Cape, Northern Cape and Free State, gas was the second most common source of energy used for cooking. Only a very small share of the population used coal to cook.

Table 4.4 presents the percentage of households by type of refuse removal for the Northern Cape and South Africa for 2022, distinguishing between rural and urban classifications.

Table 4.4: Type of Refuse Removal for Northern Cape and South Africa, 2022

	Rural/Urban Status	NC	SA
Removed at least once a week or less often	Rural	25.2%	11.9%
	Urban	79.7%	84.9%
	Total	**62.0%**	**62.6%**
Communal refuse dump	Rural	3.4%	5.5%
	Urban	0.9%	5.9%
	Total	**1.7%**	**5.7%**
Own refuse dump	Rural	63.6%	79.0%
	Urban	13.4%	6.7%
	Total	**29.7%**	**28.8%**
Other	Rural	7.8%	3.6%
	Urban	6.0%	2.5%
	Total	**6.6%**	**2.9%**

Source: Stats SA, GHS, 2022

In total, the largest share of households had their refuse removed once a week or less often in both the Northern Cape (62.0 per cent) and South Africa (62.6 per cent). The largest percentage of these households were in urban areas as compared to rural areas. Own refuse dump was more common in rural areas.

4.7 Conclusion

The percentage of people living in poverty in the Northern Cape increased between 2013 and 2022. There was also a general increase in poverty levels in South Africa. John Taolo Gaetsewe represented the district with the highest poverty rate in 2013 (57.3 per cent), whereas Frances Baard had the highest share in 2022 with a poverty rate of 63.4 per cent. The province’s HDI increased by 0.05 from 2013 to 0.66 in 2022. There was a slight decline in income inequality in the province in 2022 as compared to 2013. The largest number of households in the province earned between R192 000 to R360 000 per annum. The majority of households derived their income from salaries, wages or commission on both a national and provincial level. The largest percentage of people aged 20 years and older had attained the national senior certificate or matric on a provincial and national level. Most households were living in formal dwellings in the Northern Cape and South Africa in 2022. Black Africans constituted the largest group of social grants recipients, while females made up the majority of this group.

With regard to access to basic services, there was a drop in the proportion of households with piped or tap water in dwellings, off-site or on-site. The largest proportion of households in the Northern Cape were using flush toilets in 2022, whereas the smallest used chemical toilets. Electricity was the largest main source of energy used for cooking in all provinces, including the Northern Cape. Lastly, the largest proportion of households had their refuse removed once a week or less often, with these households mainly situated in urban areas in the province.

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