



# LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

## PROVINCIAL TREASURY



### SOCIO-ECONOMIC REVIEW AND OUTLOOK

## 2024/2025

## Foreword

The 2024/25 Socio Economic Review and Outlook is presented during the period where the world economies are recovering from the ongoing war between Russia and Ukraine, as well as the enduring Covid-19 steam and the war between Hamas and Israel. The International Monetary Fund (IMF) projects that global growth for 2024 would be resilient despite the on-going global challenges. The global economy would be highly driven by the emerging market and developing economies, where growth is expected to remain stagnant, while growth in the advanced economies is projected to decline slightly. Growth in the euro area is projected to recover slowly, while growth in emerging and developing Asia is expected to decline. China's economic growth is projected at 4.6 percent in 2024 and 4.1 percent in 2025. Growth in India is projected to remain strong at 6.5 percent in both 2024 and 2025. In Sub-Saharan Africa, growth is projected to rise from an estimated 3.3 percent in 2023 to 3.8 percent in 2024 and 4.1 percent in 2025, as the negative effects of earlier weather shocks subside and supply issues gradually improve.

South Africa should buckle up for a turbulent 2024, with levels of uncertainty created by the upcoming national general elections, interest rate movements and global tensions, as the country is a very open economy and thus is exposed to global economic movement. The downward revision for 2024 of 0.2 percentage point from October 2023 mainly reflects a weaker projection for South Africa on account of increasing logistical constraints, including those in the transportation sector. The continuous load shedding by Eskom, has taken a heavy toll on the South African and Limpopo economy as major industries were hit by power outages and this has led to closure of some businesses as they could not cope with long hours of load shedding. The high interest rates and the war in Ukraine continue to weigh on economic activity. The higher food and fuel prices continue to have a negative effect on the poor people in the province, as food and fuel has become extremely expensive for the poor and the working class.

  
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28 February 2024

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**DATE**

# Table of Contents

Foreword .....	i
Table of tables.....	v
Chapter 1: Economic overview .....	1
1.1 Introduction.....	1
1.2 World Economic Overview (WEO).....	1
1.3 Risks to the outlook .....	3
1.4 SA economic overview .....	5
1.4.1 Primary sector .....	7
1.4.2 Secondary sector.....	8
1.4.3 Tertiary sector .....	8
1.5 SA inflation rate .....	9
1.6 SA interest rate .....	12
1.7 SA and Limpopo trade performance .....	12
1.8 Limpopo economic growth.....	13
1.9 Climate change .....	16
1.9.1 Environmental impact .....	16
1.9.2 COP 28.....	17
1.10 Conclusions and recommendations.....	18
Chapter 2: Demographic characteristics .....	20
2.1 Introduction.....	20
2.2 SA and Provincial population .....	20
2.2.1 SA and Limpopo population (% change).....	21
2.2.2 Limpopo District population .....	23
2.2.3 Limpopo 2022 population per gender composition.....	23
2.2.4 Population distribution per 5-year age grouping.....	24
2.2.5 Limpopo's population according to race.....	25
2.3 Migration .....	26
2.4 Conclusion and recommendations.....	29
Chapter 3: Labour market characteristics.....	31
3.1 Introduction.....	31
3.2 SA labour characteristics .....	31
3.3 SA unemployment rate .....	33
3.4 Unemployment rate per educational level.....	36
3.4.1 Not in employment, education or training (NEET) .....	37

3.5 SA and Limpopo employment .....	38
3.5.1 Employment by sector .....	38
3.5.2 SA and Limpopo employment by industry .....	39
3.6 Conclusion and recommendations .....	39
Chapter 4: Development indicators .....	41
4.1 Introduction.....	41
4.2 Human Development.....	41
4.3 Limpopo inequality - Gini Coefficient.....	43
4.4 Limpopo poverty rate .....	44
4.5 Conclusion and Recommendation .....	45
Chapter 5: Education .....	46
5.1 Introduction.....	46
5.2 Educational performance .....	47
5.2.1 Grade 12 (Matric) performance.....	51
5.2.2 Bachelor achieved by gender .....	53
5.4 Conclusion and recommendations.....	54
Chapter 6: Basic services .....	55
6.1 Introduction.....	55
6.2 Household infrastructure.....	55
6.2.1 Access to dwelling .....	55
6.2.2 Sources of energy .....	56
6.2.3 Refuse disposal .....	58
6.2.4 Access to toilet facility.....	59
6.2.5 Access to pipe water.....	60
6.3 Conclusion and recommendations.....	61
Chapter 7: SOCIAL SERVICES .....	62
7.1 Introduction.....	62
7.2 Health .....	62
7.2.1 Self-reported health status of individuals .....	62
7.2.2 Consultation place .....	63
7.2.3 Medical aid coverage.....	65
7.3 Teenage pregnancy .....	66
7.4 Social security .....	67
7.5 Crime.....	70
7.6 Conclusion and recommendations.....	73



## Table of figures

Figure 1 : South Africa Economic growth (% GDP) .....	6
Figure 2 : SA GDP Sector contribution .....	7
Figure 3 : SA GDP share per Province, 2023 .....	9
Figure 4 : SA inflation (y/y) .....	10
Figure 5 : Eggflation and more expensive commodities (y/y and m/m).....	11
Figure 6 : SA interest rate .....	12
Figure 7 : SA and Limpopo trade performance .....	13
Figure 8 :Limpopo and Districts GDP growth (2018 – 2022) .....	14
Figure 9 :Limpopo and districts sector Contributions to economic growth (% points 2022) .....	15
Figure 10: Percentage distribution of population by province 2011 - 2022.....	22
Figure 11: Population by province (2011-2022) .....	22
Figure 12 : Limpopo and districts population (2011-2022) .....	23
Figure 13 : Population distribution per 5-year age grouping (age distribution).....	25
Figure 14 : Limpopo’s population per race .....	26
Figure 15 : SA top 20 sending countries.....	28
Figure 16 : Tourism and migration per region .....	29
Figure 17 : Unemployment rate per province (q/q and y/y change) .....	33
Figure 18 : Unemployment rate per province (Q4 2023) .....	34
Figure 19 : Limpopo Unemployment rate (official and expanded definitions).....	35
Figure 20 : SA Unemployment rate per educational level .....	36
Figure 21 : SA youth NEET per gender (y/y) .....	37
Figure 22 : SA and Limpopo employment by industry (y/y) .....	39
Figure 23 : SA and Limpopo Human Development Index.....	42
Figure 24 : Limpopo Gini Coefficient .....	43
Figure 25 : Share of people below the lower poverty line .....	44
Figure 26 : Limpopo educational performance .....	47
Figure 27 : Individuals aged 5 years and older who attended schools and who did not pay tuition fees, by province, 2022.....	48
Figure 28 : Individuals aged 7 to 24 years who attended educational institutions by province, 2022 .....	49
Figure 29 : Individuals aged 7 to 18 years for not attending an educational institution by sex 2022 .....	50
Figure 30 : Limpopo province matric performance 2021- 2023 .....	52
Figure 31 : Number of bachelors achieved by gender .....	53
Figure 32 : Limpopo and Districts dwelling type .....	56
Figure 33 : Limpopo source of energy for cooking and for lighting .....	57
Figure 34 : Limpopo refuse disposal methods.....	58
Figure 35 : Access to toilet facility .....	59
Figure 36 : Limpopo and district access to water .....	60
Figure 37 : Households for which the usual place of consultation is a public facility per province .....	64

Figure 38 : The household income amongst others determines affordability of medical aid.....	65
Figure 39 : Individuals who are members of medical aid schemes per province .....	65
Figure 40 : Individuals who are members of medical aid schemes by population group .....	66
Figure 41 : SA Teenage pregnancy (%).....	67
Figure 42 : Households and individuals benefitted from social grants, 2019–2022..	68
Figure 43 : Individuals and households benefiting from social grants per province .	68
Figure 44 :Individuals aged 18–59 years that benefitted from the special Covid-19 social relief of distress grant.....	69
Figure 45 : Growth in social grants April to October 2023 .....	70
Figure 46 : Number of households that experienced specific type of crime .....	71
Figure 47 : Reporting and non-reporting of crime incidences .....	72

### **Table of tables**

Table 1: World Gross Domestic Product (% change).....	2
Table 2 : Environmental indicator per province.....	16
Table 3 : Population per province (% change).....	20
Table 4 : SA and Limpopo population (% change).....	21
Table 5 : Limpopo population per gender composition (district share).....	24
Table 6 : Provincial migration .....	27
Table 7 : SA labour characteristics .....	32
Table 8 : Employment by sector-SA and Limpopo .....	38

Table 11 : SA self-reported health status of individuals by sex and population group, 2022.....	62
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## Abbreviations

4IR	Fourth Industrial Revolution
CPI	Consumer Price Index
DBE	Department of Basic Education
EAP	Economic Active Population
ECD	Early Childhood Development
EPWP	Extended public works programme
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GHS	General Household Survey
GVA	Gross Value Addition
HDI	Human Development Index
IMF	International Monetary Fund
LBPL	Lower-Bound Poverty Line
LED	Local Economic Development
LDP	Limpopo Development Plan
LPG	Limpopo Provincial Government
NDP	National Development plan
NEA	Not Economically Active
NEET	Not in Employment, Education and Training
NHI	National Health Insurance
PL	Poverty Line
PGM	Platinum Group Metals
QLFS	Quarterly Labour Force Survey
RSA	Republic of South Africa
SERO	Socio-Economic Review Outlook
SACU	Southern African Custom Union
SADC	Southern African Development Community
SARB	South African Reserve Bank
SSA	Sub-Saharan Africa

SASSA	South African Social Security Agency
SEZ	Special Economic Zone
SRF	Social Relief Fund
StatsSA	Statistics South Africa
TVET	Technical and Vocational Education and Training
UBPL	Upper-Bound Poverty Line
UNDP	United Nations Development Programme
US	United States
WEO	World Economic Outlook
WHO	World Health Organisation
YES	Youth Employment Services

## **Chapter 1: Economic overview**

### **1.1 Introduction**

The global economic outlook is resilient in 2024 as the world recovers from the Covid-19 pandemic, Russia – Ukraine war, and from the cost-of-living crisis. Growth in Advanced economies is projected to decline slightly, while growth in the euro area is projected to recover. In emerging market and developing economies, growth is expected to remain stagnant, while growth in emerging and developing Asia is expected to decline. Growth in China is projected at 4.6 percent in 2024 and 4.1 percent in 2025 whereas growth in India is projected to remain strong at 6.5 percent in both 2024 and 2025. In Sub-Saharan Africa, growth is projected to rise from an estimated 3.3 percent in 2023 to 3.8 percent in 2024 and 4.1 percent in 2025, as the negative effects of earlier weather shocks subside and supply issues gradually improve. The downward revision of growth in South Africa for 2024 of 0.2 percentage point from October 2023 mainly reflects a weaker projection on account of increasing logistical constraints, including those in the transportation sector, on economic activities.

Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favourable supply side developments and tightening by central banks, which has kept inflation expectations anchored. The global environment remained supportive but increasingly severe domestic constraints led to GDP growth slowing.

### **1.2 World Economic Overview (WEO)**

Economic growth is estimated to have been stronger than expected in the second half of 2023 in the United States, and several major emerging market and developing economies. In several cases, government and private spending contributed to the upswing, with real disposable income gains supporting consumption amid still-tight though easing labour markets and households drawing down on their accumulated pandemic-era savings.



Global growth, estimated at 3.1 percent in 2023, is projected to remain at 3.1 percent in 2024 before rising modestly to 3.2 percent in 2025. Compared with that in the October 2023 WEO, the forecast for 2024 is about 0.2 percentage point higher, reflecting upgrades for China; the United States; and large emerging market and developing economies. Nevertheless, the projection for global growth in 2024 and 2025 is below the historical (2000–19) annual average of 3.8 percent, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth. Advanced economies are expected to see growth decline slightly in 2024 before rising in 2025, with a recovery in the euro area from low growth in 2023 and a moderation of growth in the United States.

World trade growth is projected at 3.3 percent in 2024 and 3.6 percent in 2025, below its historical average growth rate of 4.9 percent. Rising trade distortions and geo-economic fragmentation are expected to continue to weigh on the level of global trade. Countries imposed about 3 200 new restrictions on trade in 2022 and about 3 000 in 2023, up from about 1 100 in 2019.

**Table 1: World Gross Domestic Product (% change)**

	Year over Year					
	Estimate		Projections		Difference from October 2023 Projections	
	2022	2023	2024	2025	2024	2025
<b>World output</b>	<b>3.5</b>	<b>3.1</b>	<b>3.1</b>	<b>3.2</b>	<b>0.2</b>	<b>0.0</b>
<b>Advanced Economies</b>	<b>2.6</b>	<b>1.6</b>	<b>1.5</b>	<b>1.8</b>	<b>0.1</b>	<b>0.0</b>
United States	1.9	2.5	2.1	1.7	0.6	-0.1
Euro area	3.4	0.5	0.9	1.7	-0.3	-0.1
<b>Emerging Market and Developing area</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>	<b>4.2</b>	<b>0.1</b>	<b>0.1</b>
<b>Emerging and developing Asia</b>	<b>4.5</b>	<b>5.4</b>	<b>5.2</b>	<b>4.8</b>	<b>0.4</b>	<b>-0.1</b>
China	3.0	5.2	4.6	4.1	0.4	0.0
India	7.2	6.7	6.5	6.5	0.2	0.2
<b>Sub-Saharan Africa</b>	<b>4.0</b>	<b>3.3</b>	<b>3.8</b>	<b>4.1</b>	<b>-0.2</b>	<b>0.0</b>
South Africa	1.9	0.6	1.0	1.3	-0.8	-0.3

Source: IMF, January 2024

World gross domestic product forecasts are based on assumptions that fuel and nonfuel commodity prices will decline in 2024 and 2025 and that interest rates will decline in major economies.

For advanced economies, growth is projected to decline slightly from 1.6 percent in 2023 to 1.5 percent in 2024 before rising to 1.8 percent in 2025. In the United States, growth is projected to fall from 2.5 percent in 2023 to 2.1 percent in 2024 and 1.7 percent in 2025, with the lagged effects of monetary policy tightening, gradual fiscal policy tightening, and a softening in labour markets slowing aggregate demand. Growth in the euro area is projected to recover from its low rate of an estimated 0.5 percent in 2023, which reflected relatively high exposure to the war in Ukraine, to 0.9 percent in 2024 and 1.7 percent in 2025. Stronger household consumption is expected to drive the recovery as the effects of the shock to energy prices subside and inflation falls, supporting real income growth.

In emerging market and developing economies, growth is expected to remain at 4.1 percent in 2024 and to rise to 4.2 percent in 2025, whereas growth in emerging and developing Asia is expected to decline from an estimated 5.4 percent in 2023 to 5.2 percent in 2024 and 4.8 percent in 2025, with an upgrade of 0.4 percentage point for 2024 over the October 2023 projections, attributable to China's economy. Growth in China is projected at 4.6 percent in 2024 and 4.1 percent in 2025, while growth in India is projected to remain strong at 6.5 percent in both 2024 and 2025. In Sub-Saharan Africa, growth is projected to rise from an estimated 3.3 percent in 2023 to 3.8 percent in 2024 and 4.1 percent in 2025, as the negative effects of earlier weather shocks subside and supply issues gradually improve. In South Africa, the downward revision for 2024 of 0.2 percentage point from October 2023 mainly reflects a weaker projection on account of increasing logistical constraints, including those in the transportation sector, on economic activities.

### **1.3 Risks to the outlook**

There is a likelihood of a hard landing receding as adverse supply shocks unwind, risks to the global outlook are broadly balanced.

## **Upside risks:**

A stronger global growth than expected could arise from several sources including-

- Faster disinflation

In the near term, the risk that inflation may fall faster than expected could again become a reality, with stronger-than-expected pass through from lower fuel prices, further downward shifts in the ratio of vacancies to unemployed persons, and a compression of profit margins to absorb past cost increases.

- Slower-than-assumed withdrawal of fiscal support

Governments in major economies might withdraw fiscal policy support more slowly than necessary and assumed during 2024–25, implying higher-than-projected global growth in the near term.

- Faster economic recovery in China

Additional property sector–related reforms including faster restructuring of insolvent property developers while protecting home buyers interests or larger than-expected fiscal support could boost consumer confidence, bolster private demand, and generate positive cross-border growth spill overs.

- Artificial intelligence

Over the medium term, artificial intelligence could boost workers' productivity and incomes, although this would depend on countries' harnessing the potential of artificial intelligence. Advanced economies may experience benefits from artificial intelligence sooner than emerging market and developing economies.

## **Downside risk:**

Several adverse risks to global growth remain plausible:

- Commodity price spikes amid geopolitical and weather shocks:

The conflict in Gaza and Israel could escalate further into the wider region, which produces about 35.0 percent of the world's oil exports and 14.0 percent of its gas exports. More extreme weather shocks, including floods and drought, could, together

with the El Niño phenomenon, also cause food price spikes, exacerbate food insecurity, and jeopardize the global disinflation process.

- Persistence of core inflation

A slower-than-expected decline in core inflation in major economies could trigger a rise in interest rate expectations and a fall in asset prices.

- Faltering of growth in China

Absence of a comprehensive restructuring policy package for the troubled property sector, real estate investment could drop more than expected and for longer with negative implications for domestic growth and trading partners.

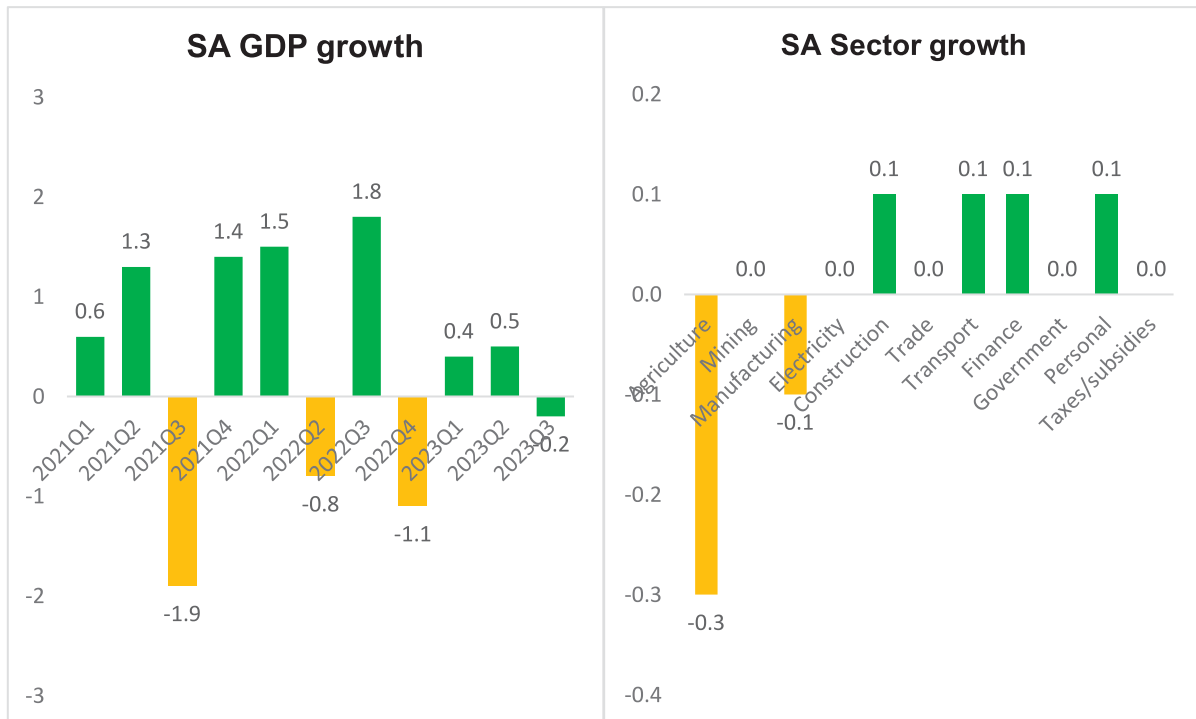
- Disruptive turn to fiscal consolidation

Fiscal consolidation is necessary in many economies to deal with rising debt ratios. In low-income countries and emerging market economies, there is a risk of debt distress.

#### **1.4 SA economic overview**

The South African economy is faced with various challenges amongst others being electricity and logistical crisis, although the domestic economic growth in the near term is likely to remain muted due to these effects. Energy crisis leading to power outages directly affecting production whilst logistical constraints which affects transportation of goods as well as trade, are still binding on economic activity and generally increase costs. Expectations are that electricity supply will improve gradually over the medium-term, helping to raise forecast for output growth in 2024, 2025 and 2026. Spending by firms, households, public corporations and general government remains positive in real terms, on an annual basis. Disposable income of households is expected to grow, although at a slower pace. On the other side, politically South Africa is expected to hold its general election in 2024 upon which the outcomes may affect policy changes, which can alter the economic landscape of the country with possible elimination of some of existing policies as well as introduction of new policies and strategies.

**Figure 1 : South Africa Economic growth (% GDP)**



Source: StatsSA GDP Q3, 2023

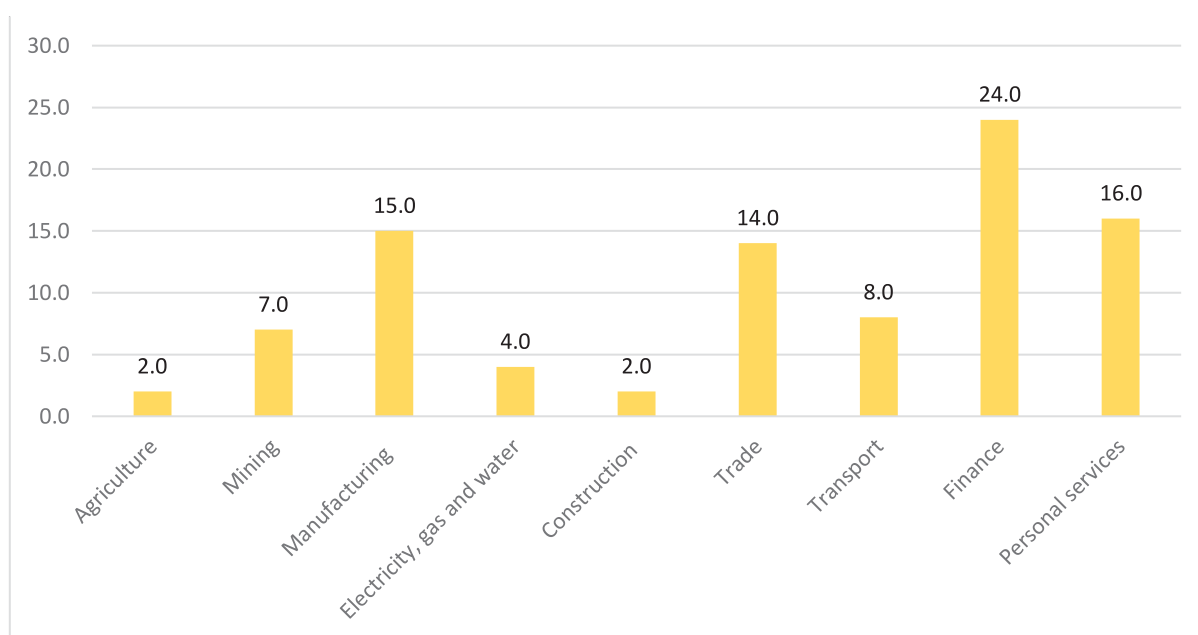
South Africa’s GDP decreased by 0.2 percent in the third quarter of 2023. Five industries recorded negative growth between the second quarter and the third quarter of 2023. The agriculture industry decreased by 9.6 percent and contributed -0.3 of a percentage point to the negative GDP growth. The manufacturing industry decreased by 1.3 percent and contributed -0.1 of a percentage point. The construction industry decreased by 2.8 percent and contributed -0.1 of a percentage point.

The agriculture, forestry and fishing industry decreased by 9.6 percent in the third quarter of 2023, contributing -0.3 of a percentage point to the negative GDP growth. This was primarily due to decreased economic activities reported for field crops, animal products and horticulture products. The manufacturing industry decreased by 1.3 percent in the third quarter, contributing -0.1 of a percentage point. Eight of the ten manufacturing divisions reported negative growth rates in the third quarter. The food, beverages and tobacco division made the largest contribution to the decrease in the third quarter. The petroleum, chemical products, rubber and plastic products division and the basic iron and steel, nonferrous metal products, metal products and machinery division also made significant contributions to the contraction in this industry.



The construction industry decreased by 2.8 percent in the third quarter, contributing -0.1 of a percentage point. Decreases were reported for residential buildings, non-residential buildings and construction works. The mining and quarrying industry decreased by 1.1 percent in the third quarter. Decreased economic activities were reported for Platinum Group Metals (PGMs), gold, other metallic minerals and manganese ore. The trade, catering and accommodation industry decreased by 0.2 percent in the third quarter, decreased economic activities were reported for wholesale trade, motor trade and food and beverages.

**Figure 2 : SA GDP Sector contribution**



Source : StatsSA, GDP Q3,2023

### 1.4.1 Primary sector

The agriculture, forestry and fishing industry decreased by 9.6 percent in the third quarter of 2023, The decrease was mainly due to decreased economic activities reported for field crops, animal products and horticulture products. The mining and quarrying industry decreased by 1.1 percent in the third quarter on PGMs, gold, other metallic minerals and manganese ore.

### **1.4.2 Secondary sector**

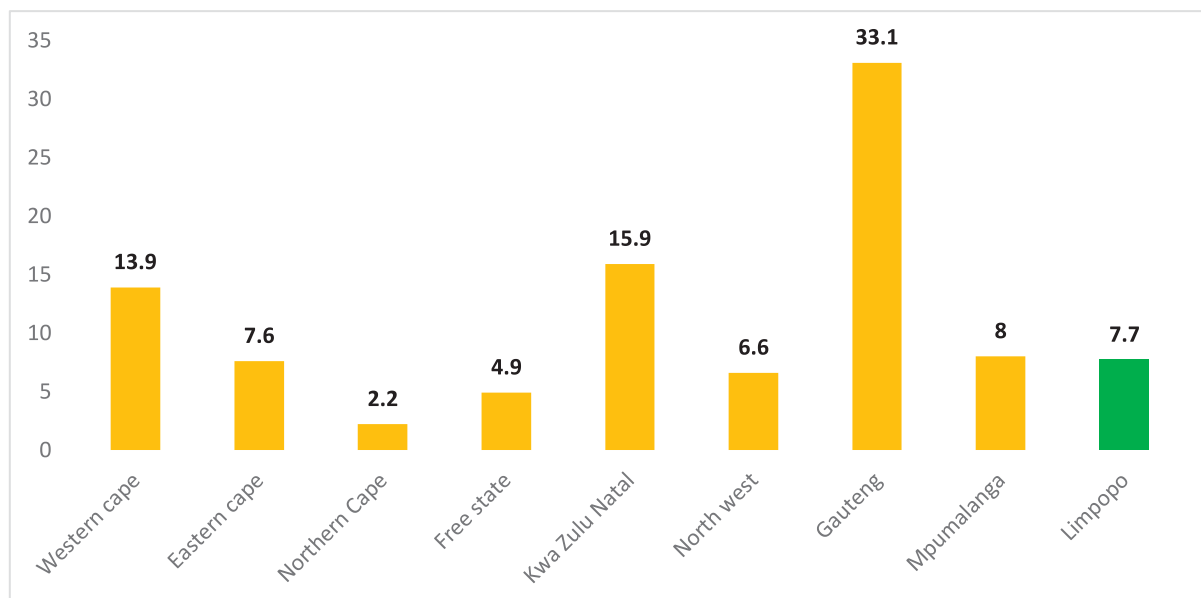
The manufacturing industry decreased by 1.3 percent in the third quarter of 2023 contributing -0.1 of a percentage point to the negative GDP growth. Given the ten manufacturing divisions, eight of them have reported negative growth rates in the third quarter of 2023. The food, beverages and tobacco division made the largest contribution to the decrease in the third quarter. The petroleum, chemical products, rubber and plastic products division and the basic iron and steel, non-ferrous metal products, metal products and machinery division also made significant contributions to the contraction in this industry. On the other side, electricity, gas and water industry increased by 0.2 percent in the third quarter due to increases in electricity production and consumption. The construction industry decreased by 2.8 percent in the third quarter, contributing -0.1 of a percentage point. Decreases were reported for residential buildings, non-residential buildings and construction works.

### **1.4.3 Tertiary sector**

The trade, catering and accommodation industry decreased by 0.2 percent in the third quarter of 2023. Decreased economic activities were reported for wholesale trade, motor trade and food and beverages. The transport, storage and communication industry increased by 0.9 percent in the third quarter, contributing 0.1 of a percentage point to the negative GDP growth. Increased economic activities were reported for land transport, air transport, transport support services and communications.

The finance, real estate and business services industry increased by 0.5 percent in the third quarter of 2023, contributing 0.1 of a percentage point financial intermediation, real estate activities and other business services. General government services increased by 0.1 percent in the third quarter, mainly due to increased employment in extra budgetary institutions, provincial government, national government and higher education institutions. The personal services industry increased by 0.6 percent in the third quarter, contributing 0.1 of a percentage point. Increased economic activities were reported for health and education.

**Figure 3 : SA GDP share per Province, 2023**



Source: StatsSA, 2023

An experimental set of provincial GDP data released by StatsSA in 2023 indicates that for all provinces Gauteng which is the smallest by area size has the largest economy. In 2022, Gauteng was responsible for R33 of every R100 produced by the South African economy; and the second and third largest in relation to GDP growth (Q2:2023) are KwaZulu-Natal and Western Cape. Notably, Gauteng is a bit larger than these two economies combined, hence Gauteng is perceived as the best place to find work. Stats SA estimates that Gauteng province will receive the largest inflow of migrants in the 2021–2026 period, attracting 1.4 million individuals. Western Cape is estimated to receive the second highest number of in-migrants (0.46 million) from other provinces and from abroad. Limpopo is the 5<sup>th</sup> largest GDP contributor and it also contributes a large number of inflow migrants into Gauteng. Northern Cape remains the lowest in terms of share of GDP contribution for South Africa. In Mpumalanga, the economic sector is on mining which afforded it to be the fourth largest contributor.

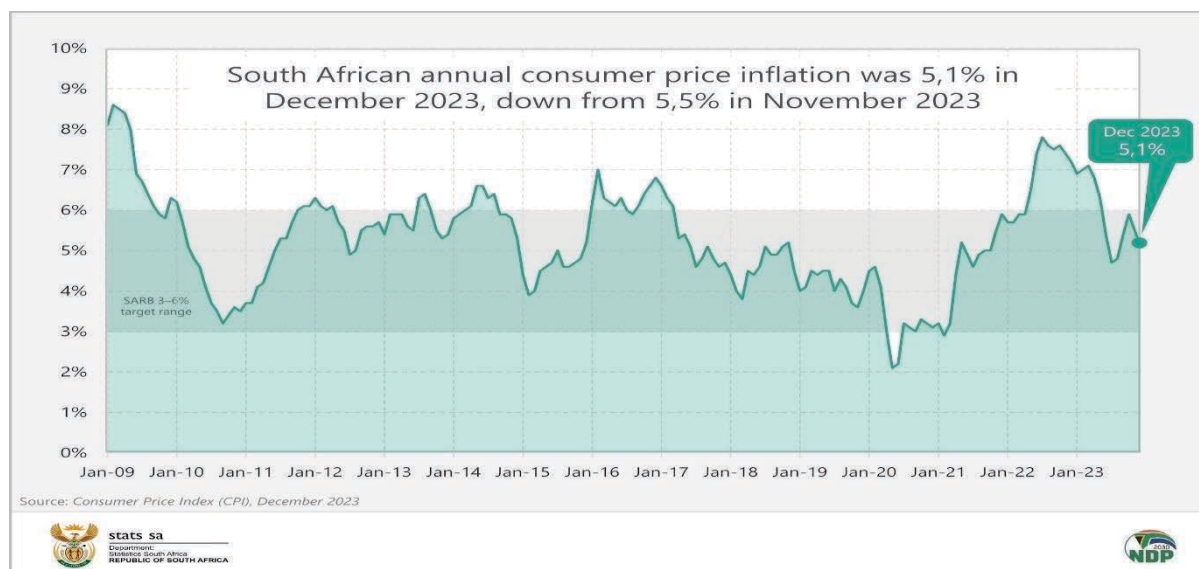
### **1.5 SA inflation rate**

South Africa's headline inflation rate has increased more gradually than in many other emerging and advanced economies. Nonetheless, South Africa's inflation rate remains sensitive to shocks. Annual consumer price inflation pulled back in December, easing to 5.1 percent from 5.5 percent in November and 5.9 percent in October. The

2023 average inflation rate for the year was 6.0 percent which is lower than 2022 average inflation of 6.9 percent. Inflation was relatively high in the first five months of 2023, whereby it was consistently above the 6.0 percent target. Inflation then eased below this level for the remaining seven months of the year with the highest rate of 7.1 percent and lowest recorded in July at 4.7 percent.

While volatile in recent weeks, oil prices have increased over the year and commodity export prices have moderated further. South Africa’s external financing needs will increase as the current account deficit expands from a forecasted 1.3 percent of GDP this year (from 2.0%), to 2.6 percent of GDP in 2024 and to 3.5 percent of GDP in 2025. The smaller deficit this year is the result of significantly better than expected trade outcomes in the third quarter. Monetary policy actions and frameworks are key at the current juncture to keep inflation expectations anchored since inflation around the world reached multidecade highs in 2022.

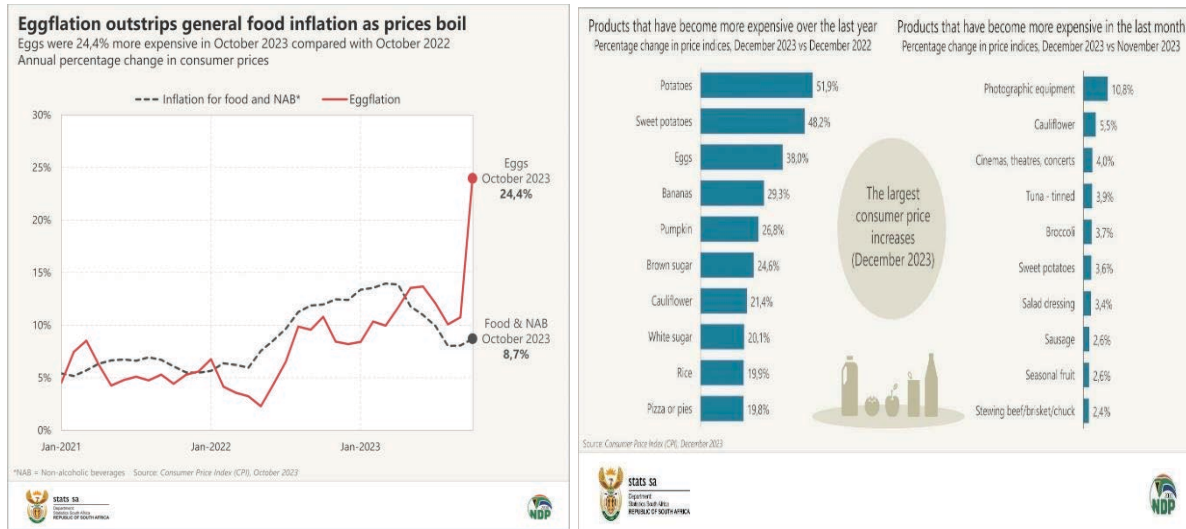
**Figure 4 : SA inflation (y/y)**



Source: StatsSA, 2024

The month to month CPI between in November and December 2023 has remained within range, however, food & non-alcoholic beverages (8.5%, restaurants & hotels (7.0%) and health (6.5%) categories have recorded annual rates higher than 6.0 percent in December 2023.

**Figure 5 : Eggflation and more expensive commodities (y/y and m/m)**



Source: StatsSA, 2023

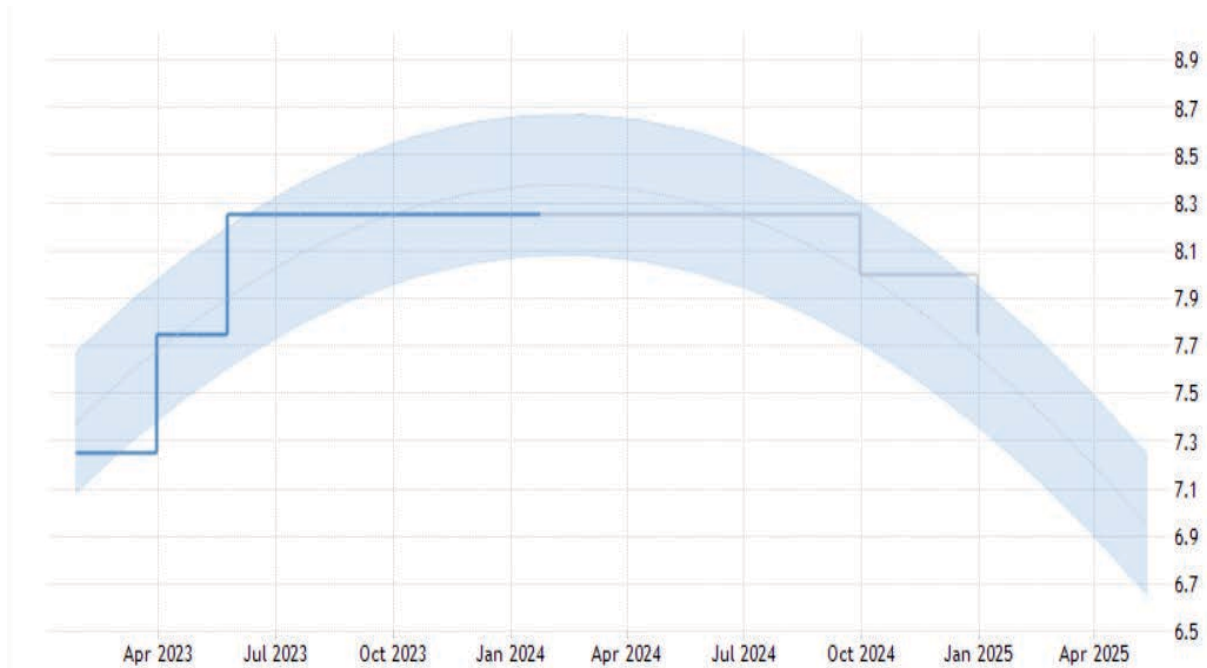
The recent outbreak of avian influenza in South Africa, which has also hit Limpopo, negatively effected egg production. South Africa’s egg producing hen population is estimated to be around 27 million, which are responsible for the daily production of eggs. However, because of the latest outbreak, five million egg producing hens had to be cull, therefore reducing production and bringing about increased price of eggs. It is indicated that eggs were 38.0 percent more expensive in December 2023 than in December 2022.

As per classification of expensive products between November 2023 and December 2023, eggs are not amongst those products perhaps because consumers have already absorbed such high prices. Sweet potatoes and cauliflower are the products reflected as expensive between November 2023 and December 2023, and also appearing to be within expensive products between December 2022 and December 2023. Sweet potatoes were 48.2 percent more expensive between December 2022 and December 2023 and 3.6 percent more expensive between November 2023 and December 2023.



## 1.6 SA interest rate

Figure 6 : SA interest rate



Source: SARB, 2023

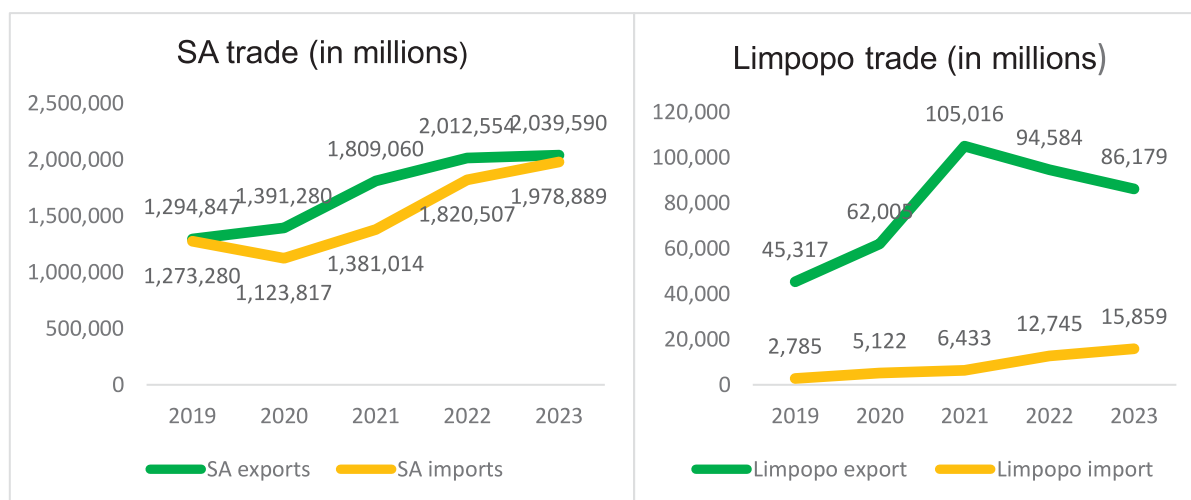
The South African Reserve Bank (SARB) decided to keep its key repo rate at 8.25 percent on January 25th, 2024, as widely anticipated, thereby keeping borrowing costs at their highest since 2009. The bank highlighted the persistence of inflation risks while emphasizing a balanced evaluation of risks to medium-term growth. It is noted that the return of inflation to within the target range has been slow, despite the expected gradual moderation. The SARB maintained its growth projections at 1.2 percent for 2024 and 1.3 percent for 2025.

## 1.7 SA and Limpopo trade performance

South Africa is a member of the international community and hence trading with the world. Trading amongst countries and regions boosts and enhances domestic economic growth especially given the competitive and comparative advantages of trade. Countries, as well as regions, do not possess similar endowments hence the necessity for trade to enhance the multiplier effects across industries, value additions, and structural changes that are aimed at economic growth. South Africa is located at

the southern tip of Africa, with Limpopo province located at its northern tip having three (3) borders with 3 countries, namely Botswana, Namibia and Zimbabwe.

**Figure 7 : SA and Limpopo trade performance**



Source: Quantec, 2024

Since 2016, South Africa has been recording positive trade balances. In 2019 as well as in 2023, the value of SA Trade exports and imports were almost equal. With regard to Limpopo, it had an increase in exports from 2019 to 2021, after which there was a sharp decline in the value of exports, however for the same period there has been a steady increase in imports.

Informal cross border trade which is mainly practiced between neighbouring countries and mostly conducted by vulnerable, small, unregistered traders, has the potential to generate significant rural non-farm income and become a catalyst for value chain creation and support in rural areas. This benefit, in turn, can lower rural unemployment and slow rural-urban migration, while empowering women, whom in most cases have been economically marginalised.

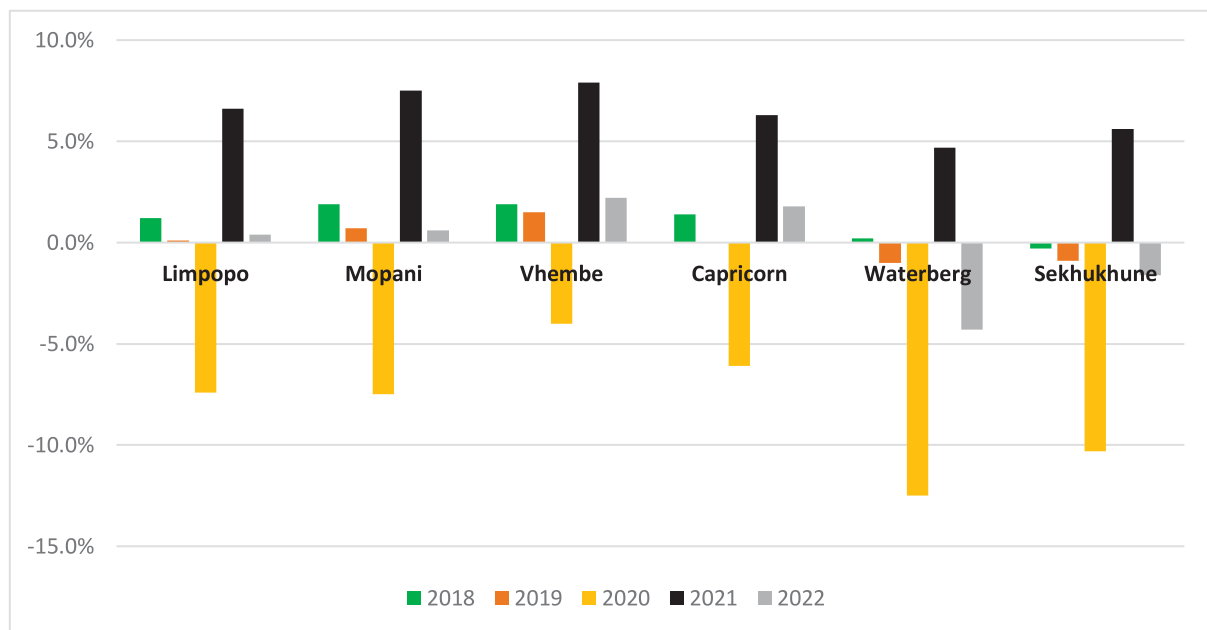
### 1.8 Limpopo economic growth

The COVID19 pandemic, the Russia-Ukraine war as well as the continuous load shedding in the country has worsened growth prospects of the provincial economy. This necessitated the downwards revision of the provincial economic growth prospects

to 2.0 percent in the Limpopo Development Plan (LDP), by the Limpopo Provincial Government. Provincial economic growth has been sluggish over recent years, growing at an average below 2.0 percent since 2010 to 2019.

In 2020 the provincial economy contracted by 7.4 percent and this was followed by a rebound from the effects of the pandemic by a growth of 6.6 percent in 2021. In 2022 the provincial growth was recorded at a positive growth of 0.4 percent which can mainly be credited to the booming mining commodity prices and exports.

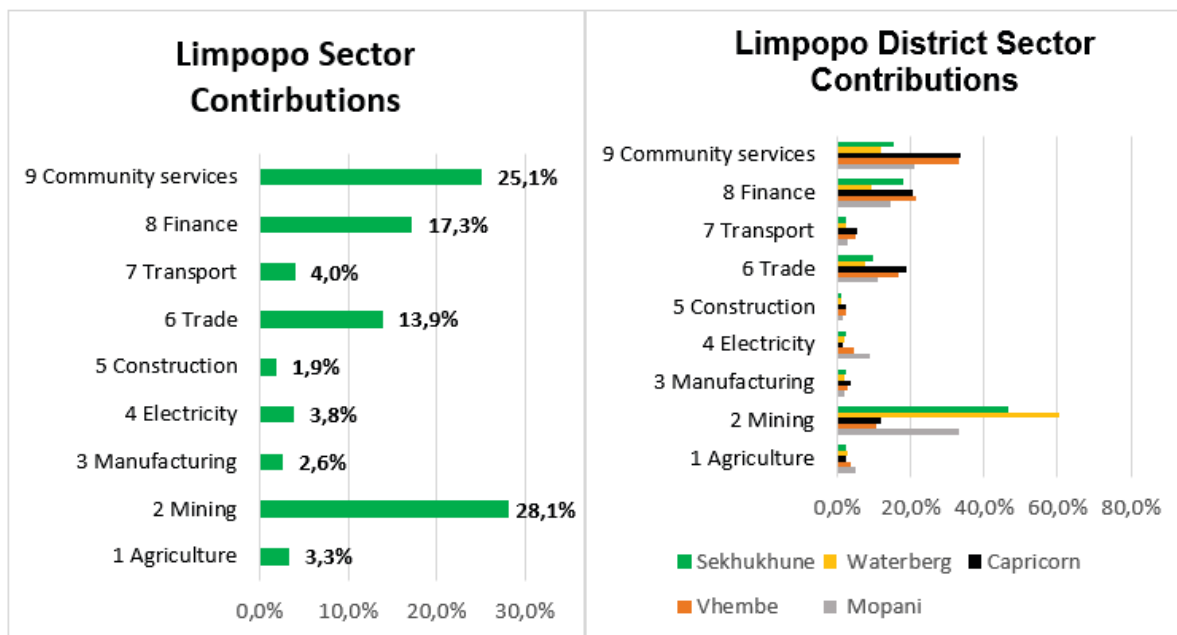
**Figure 8 :Limpopo and Districts GDP growth (2018 – 2022)**



Source : IHS Markit- Regional Explorer,2023

The socio economic effects of the COVID-19 pandemic were felt across the globe although some advanced economies might have recorded economic gains especially in the technology space. Developing countries such as South Africa were affected negatively, and this has impacted on the Limpopo provincial economy. Pre-pandemic era (2018 & 2019) indicates a positive economic growth in all districts except Waterberg and Sekhukhune (both in 2019). After 2020, the economies of Limpopo districts began to recover, with a larger increase in 2021 for all the five districts, however Sekhukhune District and Waterberg district reverted to their pre-pandemic decline.

**Figure 9 :Limpopo and districts sector Contributions to economic growth (% points 2022)**



Source: IHS Markit – Regional Explorer, 2023

The main sector contributing to Limpopo economy for 2022 is the mining sector (28.1 percent), followed by community service (25.1 percent), finance (17.3 percent) and trade (13.9 percent). Construction sector remains the lowest at 1.9 percent and this sector has been failing to bounce back from the effects of COVID-19. Manufacturing sector (2.6 percent) contribution is continuously very low and if explored fundamentally it has the potential to increase the province’s GDP growth. It is also imperative that Limpopo Provincial Government develop value addition strategies across these sectors especial ones with greater growth potential. Such strategies and policies should complement the developed sector master plans such as the Agriculture and Agro-processing Master plan, Automotive master plan, inter alia.

The districts contributions show that in terms of mining, Waterberg district is the main contributor, followed by Sekhukhune and then Mopani districts. In terms of community services, Capricorn is largest contributor followed by Vhembe and then Mopani.

## 1.9 Climate change

Climate change has recently become a topical issue as its impacts are felt across all sectors. In the agricultural space, farmers planting schedules had to change thus tempering with food security. Various organization across the globe have developed mitigating factors however those are not applicable similarly across all the regions given the heterogeneity of regions.

### 1.9.1 Environmental impact

**Table 2 : Environmental indicator per province**

Indicators	Province									
	WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
Number of households using borehole water N ('000)	9	17	12	25	92	101	32	62	268	<b>618</b>
Number of households using wood/coal for cooking N ('000)	9	162	22	27	261	114	50	260	587	<b>1 492</b>
% of households whose refuse is removed by a local authority or co,	87,8	41,5	61,7	71,5	50,6	50,9	84,1	41,2	24,3	<b>62,2</b>
% of households who feel that they are experiencing problem with:										
Littering	27,3	40,0	44,2	55,3	29,5	31,0	29,6	46,2	23,7	<b>32,8</b>
Water pollution	9,5	26,8	24,2	28,0	19,6	19,8	15,9	9,6	9,3	<b>16,8</b>
Air pollution	11,2	20,9	24,2	24,1	11,7	31,0	17,3	22,2	9,9	<b>17,2</b>
Land degradation	13,7	43,2	38,8	49,9	23,7	55,5	22,5	70,6	34,9	<b>32,8</b>
Excessive noise pollution	14,1	10,8	17,0	22,8	9,5	14,1	19,8	10,4	8,4	<b>14,4</b>

Source: StatsSA, GHS (selected indicators), 2022

The general household survey of 2022 selected indicators pointed out climate change and its impact on the environment as experienced by households. There are five environmental indicators considered herein ranging from littering, water pollution, air pollution, land degradation and excessive noise pollution. In terms of household responses, 32.8 percent of households in South Africa experience littering whilst majority of them are in Free State (55.3 percent) with Limpopo having the lowest percentage of households experiencing littering.

About 16.8 percent of South African households experience water pollution, again Free State being the highest and Limpopo being the lowest in terms of experiencing water pollution. In terms of air pollution 17.2 percent of South African households experienced air pollution with North West province being the highest (31.0 percent). The fourth indicator which is land degradation has direct effect on food production, and 32.8 percent of households in South Africa have experienced land degradation,

majority of whom are in Mpumalanga (70.6 %) and Limpopo being the 6<sup>th</sup> largest experiencing province (34.9 %) of land degradation. Lastly, Excessive noise pollution is encountered by just only 14.4 percent of South African households.

### **1.9.2 COP 28**

COP 28 stands for the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change. During the 2023 annual climate COP, delegates from nearly every country on earth negotiated global goals for tackling climate change, presented their individual countries plans for contributing to those goals, and reported progress. Emanating from this, there is a tremendous opportunity to advance the critical role nature plays in combating climate change and implementing the Paris Agreement. As countries work to update and align their climate plans, there is on-going negotiations with government and business leaders, pushing for greater ambition to phase out fossil fuels, build more resilience into societies, and invest more in both mitigation and adaption efforts.

In order to accomplish these goals, there has been advocacy for both swifter transition to renewable energy source and more use of natural climate solutions, and more investment from both the public and private sectors, especially to help those countries that have been mostly affected by the impacts of climate change. There is ongoing work towards ensuring that indigenous and local community voices are heard, as these are the people who know best how to work with nature in their communities.

#### **Cop 28 priorities**

##### **a) Transitioning to Clean Energy**

Fast tracking the energy transition and slashing emissions before 2030 to limit global warming to 1.5° C (2.7° F) above pre-industrial levels.

##### **b) Centering nature, people, lives & livelihoods**



Put nature, people, lives and livelihoods at the heart of climate action, including helping the most vulnerable communities adapt to the change that's already occurring.

**c) Delivering on finance**

Deliver old promises and set the framework for a new deal on finance. Climate finance must be affordable, available, and accessible to developing countries.

**d) Mobilizing inclusivity**

Mobilize the most inclusive COP ever, ensuring that decisions and discussions, and how the solutions are implemented, are truly inclusive and done in collaboration with indigenous peoples and local communities.

**As a global Society, we are required to:**

- a) **Phase out fossil fuels** - acceleration of the equitable phase-out of fossil fuels to achieve net zero by 2050 or sooner.
- b) **Build climate-resilient societies** - empower groups who steward nature to secure their homes, livelihoods and futures.
- c) **Invest in climate solutions**- inspire commitments and investments in nature positive project, policies and practices.

**1.10 Conclusions and recommendations**

Global economic growth is estimated to have been stronger than expected in the second half of 2023, mainly in the United States and several major emerging market and developing economies. In several cases, government and private spending contributed to the upswing, with real disposable income gains supporting consumption amid still-tight though easing labour markets and households drawing down on their accumulated pandemic-era savings.

South African economy is faced with various challenges amongst others being electricity and logistical crisis although the domestic economic growth, in the near term, is likely to remain muted due to these effects. Energy crisis leading to power outages directly affecting production whilst logistical constraints which affects

transportation of goods as well as trade, are still binding on economic activity and generally increase costs. These challenges continue to have negative consequences for both the country and also the province, and as such, they need to be addressed urgently so that the country and the province can start to realize positive economic growth and address the issues of high unemployment affecting the youth.

The South African Reserve Bank (SARB) decided to keep its key repo rate at 8.25 percent in the January 2024 meeting, as widely anticipated, thereby keeping borrowing costs at their highest since 2009. The bank highlighted the persistence of inflation risks while emphasizing a balanced evaluation of risks to medium-term growth. It is noted that the return of inflation to the target has been slow, despite the expected gradual moderation. Concerning economic activity, the SARB maintained its growth projections at 1.2 percent for 2024 and 1.3 percent for 2025. Keeping the repo on hold argues well for the consumers who are faced with high prices in recent times.

It is also imperative that Limpopo Provincial Government develop value addition strategies across these sectors especial ones with greater growth potential. Such strategies and policies should complement the developed sector master plans such as Agriculture and Agro-processing Master plan, Automotive master plan, inter alia.

The country and the province will need to ramp up its policy implementation to accomplish the green energy goals, as there has been advocacy for both swifter transition to renewable energy source and more use of natural climate solutions, and more investment from both the public and private sectors, especially to help to minimise the effect and the impacts of climate change. The country and the province need to accelerate the equitable phase-out of fossil fuels to achieve net zero by 2050 or sooner and strive to build climate-resilient societies through the empowering of groups who steward nature to secure their homes, livelihoods and futures.

## Chapter 2: Demographic characteristics

### 2.1 Introduction

World Bank population estimates and projections continue to show an increasing trend amidst disease outbreaks such as Covid-19 and malaria in some parts of Africa. A country's developmental achievement relies somewhat on the population dynamics given that planning has to be made around that and to further assist policy makers in decision making. Population changes and other demographic factors such as the number of births and deaths affects facets of human life. In addition, one other important demographic factor is migration which is a change in a person's permanent or usual place of residence as migration plays a bigger role in the population changes for a region due to inward and outward migration. It is also worthy to note that there are various reasons for migrating, ranging from economic to social developments.

### 2.2 SA and Provincial population

The recent release of 2022 Statistics South Africa Census report indicates that South Africa's population in 2022, was recorded at 62 million people with a projection of population growing up to 63 million in 2024. While, Limpopo province had an increase by 21.6 percent in population as compared to the previous 2011 Census report, the provincial population increased from 5.4 million in 2011 to 6.5 million in 2022 which reflects an average increase of almost 2.0 percent per year, over a 11-year period.

**Table 3 : Population per province (% change)**

Population	WC	EC	NC	FS	KZN	NW	GP	MP	LP
2011 Census	5 822 734	6 562 053	1 145 861	2 745 590	10 267 300	3 509 953	12 272 263	4 039 939	5 404 868
2022 census	7 433 020	7 230 204	1 355 945	2 964 412	12 423 907	3 804 548	15099 442	5 143 324	6 572 721
<b>% change</b>	<b>27,7</b>	<b>10,2</b>	<b>18,4</b>	<b>8,0</b>	<b>21,0</b>	<b>8,4</b>	<b>23,1</b>	<b>27,4</b>	<b>21,6</b>

Source: StatsSA, Census, 2022

A comparison between 2011 and 2022 Census results shows that all provinces have recorded an increase in population size. South Africa in 2022 had a population of 62 million whilst in 2011 there was a population of about 51.8 million. In both periods Gauteng had the largest population (15 million) followed by Kwa-Zulu Natal (12.4 million) recording percentage change of 23.1 and 21.0 respectively. Northern Cape continues to have the lowest population size (1.3 million) and despite recording a percentage increase of 18.4 percent it still remains the lowest populated.

Limpopo has the fifth largest population (6.5 million) in the country, and is also the fifth largest in terms of GDP growth, implying a possible correlation between population size and GDP growth. This implies that there was a minor effect of migration to other provinces deemed as better place to get jobs, or even more a place with improved livelihood.

About 56 percent of the country’s population lives in three provinces, namely Gauteng, Kwa-Zulu-Natal and the Western Cape. The Western Cape has moved from being the 5th-largest province in terms of population size in 1996 to being the 3rd largest in 2022. The sustained increase in population could in part be due to government policies and interventions leading to improved health care systems, increased life expectancy at birth, migration into South Africa although on the other side crime is increasing together with murder rates.

### 2.2.1 SA and Limpopo population (% change)

The 2022 Statistics South Africa Census report indicates that Limpopo province had an increase in population as compared to the previous 2011 Census report. It shows that between this period, there was a 21.6 percent increase in Limpopo population, that is over a 11-year period.

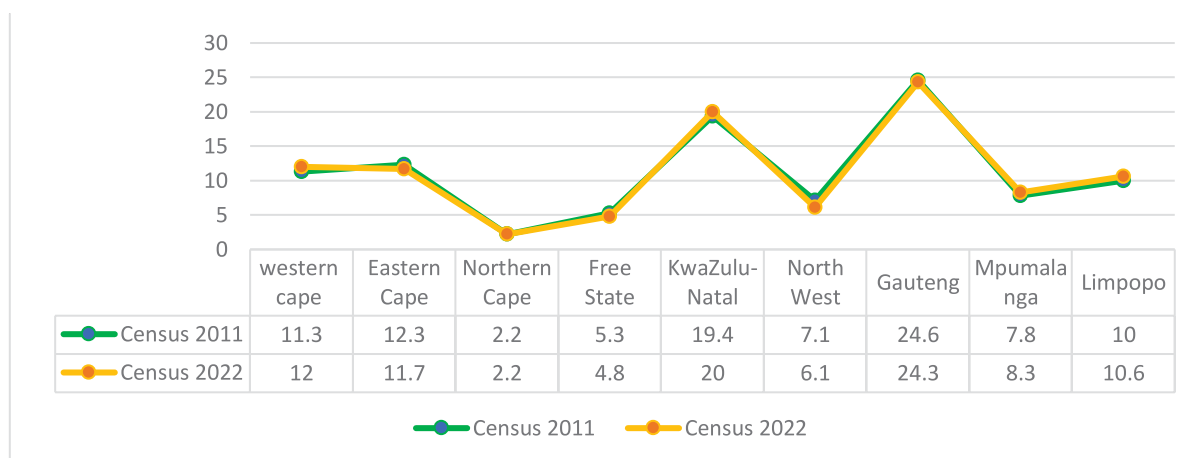
**Table 4 : SA and Limpopo population (% change)**

Country /Province	1996	2001	% change (1996-2001)	2011	% change (2001 - 2011)	2022	% change (2011 -2022)
Limpopo	4 576 133	4 995 462	9,2	5 404 868	8,2	6 572 721	21,6
South Africa	40 583 573	44 819 778	10,4	51 770 560	15,5	62 027 503	19,8

Source : StatsSA, Census, 2022

In 2022, Limpopo province had a population of 6.5 million with a 21.6 percentage increase from 2011 and in 2022. Limpopo accounts for 10.6 percent of South Africa’s population.

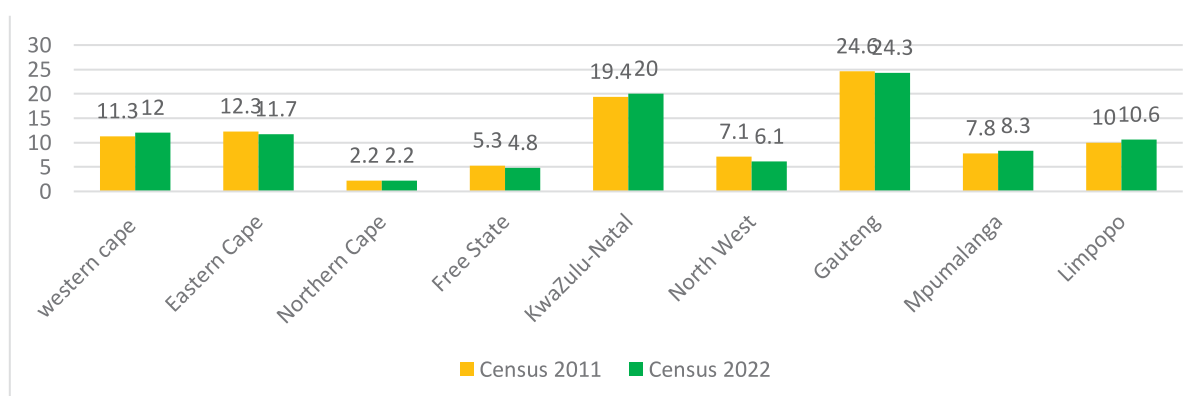
**Figure 10: Percentage distribution of population by province 2011 - 2022**



Source: StatsSA, 2022

The figure above indicates the population percentage distribution of each province. Four of the nine South African provinces have recorded a decline in their percentage of the South African population, while 4 have recorded increases and one has remained consistent, the Northern Cape at 2.2 percent. It is noted that Gauteng is the largest, comprising of 24.3 percent of South Africa’s population a decline from the 24.6 percent in 2011. Limpopo which is the fifth largest province by population, makes up 10.6 percent of South Africa’s population an increase from 10 percent in 2011.

**Figure 11: Population by province (2011-2022)**

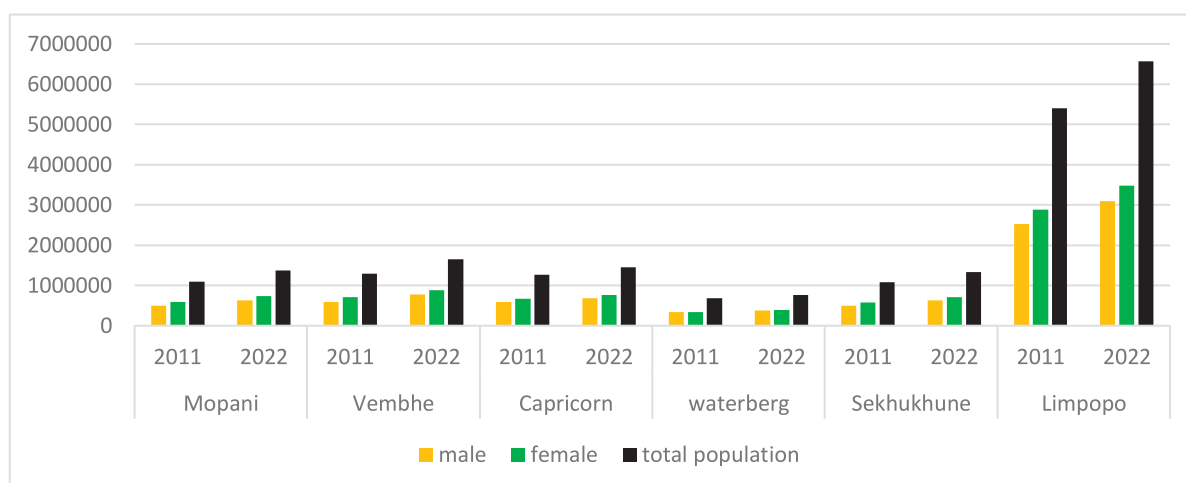


Source: StatsSA, Census, 2022

## 2.2.2 Limpopo District population

The Limpopo district population moves in line with the provincial population trend wherein all the districts have increased population size between 2011 and 2022.

**Figure 12 : Limpopo and districts population (2011-2022)**



Source: StatsSA, Census 2022

Vhembe district at 1.653 million people is the district with the largest population in the province, followed by Capricorn at 1.447 million people, whilst Waterberg district at 762 thousand people, remains the district with lowest population in the province. Similarly, Waterberg is the lowest in GDP growth rate and also the lowest in terms of population therefore signifying a direct relationship between GDP growth and population size (as a results of intra district movements or migration to districts with better employment opportunities).

## 2.2.3 Limpopo 2022 population per gender composition

In Limpopo, the population of women are more than that of men constituting 52.8 percent (3.4 million) of the total population of the province, while the population of man constitute 47.2 percent (3.1 million). This picture of female dominance in the province is depicted within all the districts in the province.



**Table 5 : Limpopo population per gender composition (district share)**

District	Limpopo	Mopani	Vhembe	Capricorn	Waterberg	Sekhukhune
<b>Male</b>	3 099 416	634 524	773 869	686 501	374 965	629 558
<b>Female</b>	3 473 304	738 349	879 208	760 602	387 897	707 247
<b>Total</b>	6 572 721	1 372 873	1 653 077	1 447 103	762 862	1 336 805
<b>%</b>		<b>20,9%</b>	<b>25,2%</b>	<b>22,0%</b>	<b>11,6%</b>	<b>20,3%</b>

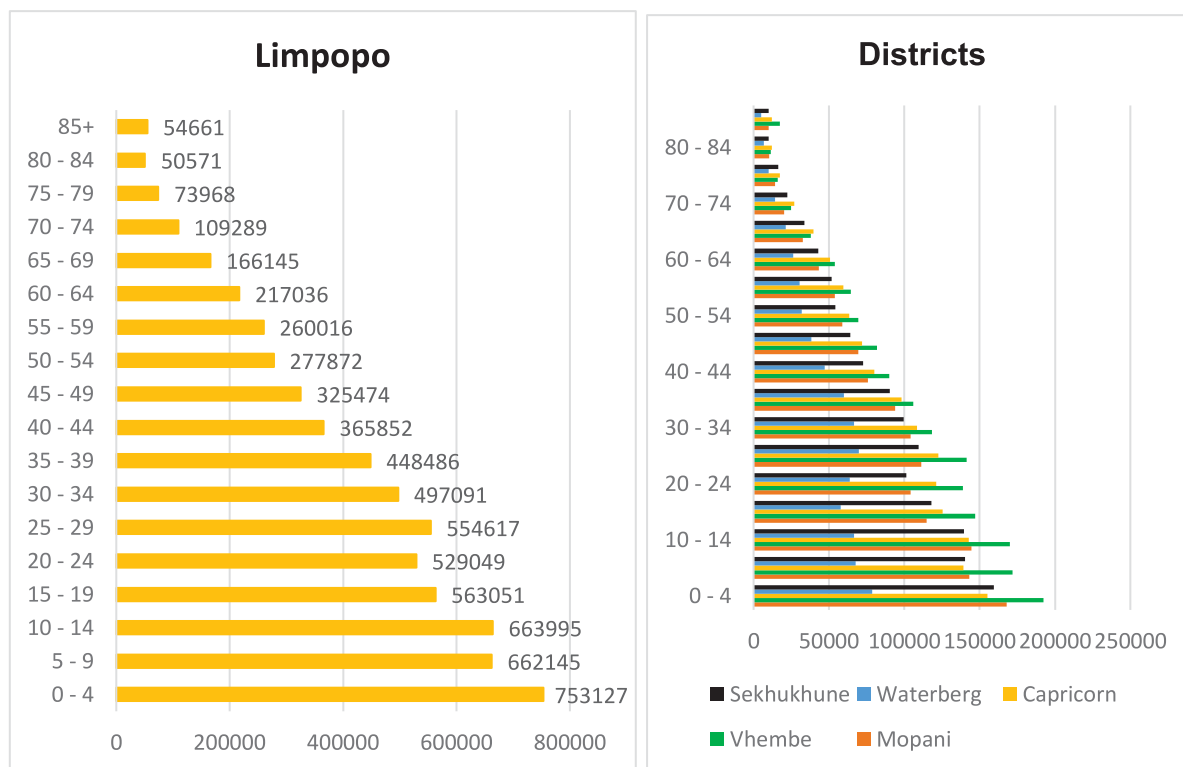
Source : StatsSA, Census, 2022

At a district level, Vhembe has the highest population followed by Capricorn, Mopani, Sekhukhune, with Waterberg having the lowest population. In terms of population percentage share, Vhembe district has the biggest share in the province at 25.2 percent, followed by Capricorn is 22.0 percent, Mopani district constitutes 20.9 percent, whilst Sekhukhune at 20.3 percent and lastly Waterberg constituting 11.6 percent.

#### **2.2.4 Population distribution per 5-year age grouping**

In terms of the age distribution by a 5-year interval, there is a downward movement for age population indicating that there are more children than elders across Limpopo. In Limpopo there is a steady decline in the population numbers from age 40-45 years to 85 years and older. Most people in Limpopo do not live beyond 85 years, as there is only 54 thousand people living beyond that age although significant decline starts at age of 70.

**Figure 13 : Population distribution per 5-year age grouping (age distribution)**



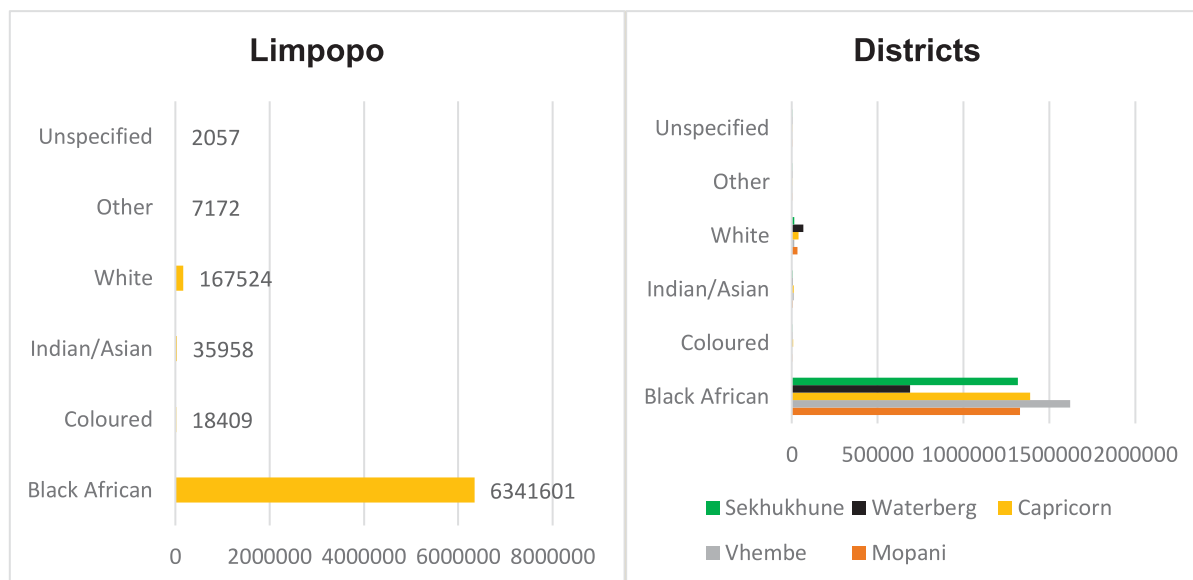
Source: StatsSA, Census, 2022

The provincial district population distribution tend to follow a similar partern as that of the province, this is an indication that the province is dominated by young people of school going age.

### 2.2.5 Limpopo’s population according to race

Limpopo province continues to be dominated by Black Africans making up to 96.5 percent of its population. Black Africans are also divided into tribal groups main ones being Pedi, Venda and Tsonga speaking. The other population groups are quite low including other and unspecified.

**Figure 14 : Limpopo’s population per race**



Source: StatsSA, Census, 2022

Similar provincial race dynamics are also reflected at a district level, where blacks are in majority followed by Whites, Indian/Asian, Coloured, Other and unspecified, respectively. In South Africa, Black Africans remain the dominant population group at 81.4 percent, followed by coloureds at 8.2 percent, whites at 7.3 percent and Indians/Asians at 2.7 percent. There has been a steady decline in the proportion of the white population in the province, from 11 percent in 1996 to 7.3 percent in 2022.

### 2.3 Migration

Migration can best be described as a change in a person’s permanent or usual place of residence and this plays a significant role in policy planning and resource allocation. Migration takes place for various socio-economic factors, in search for a better life. Among other reasons could be family issues, job hunting, education etc.

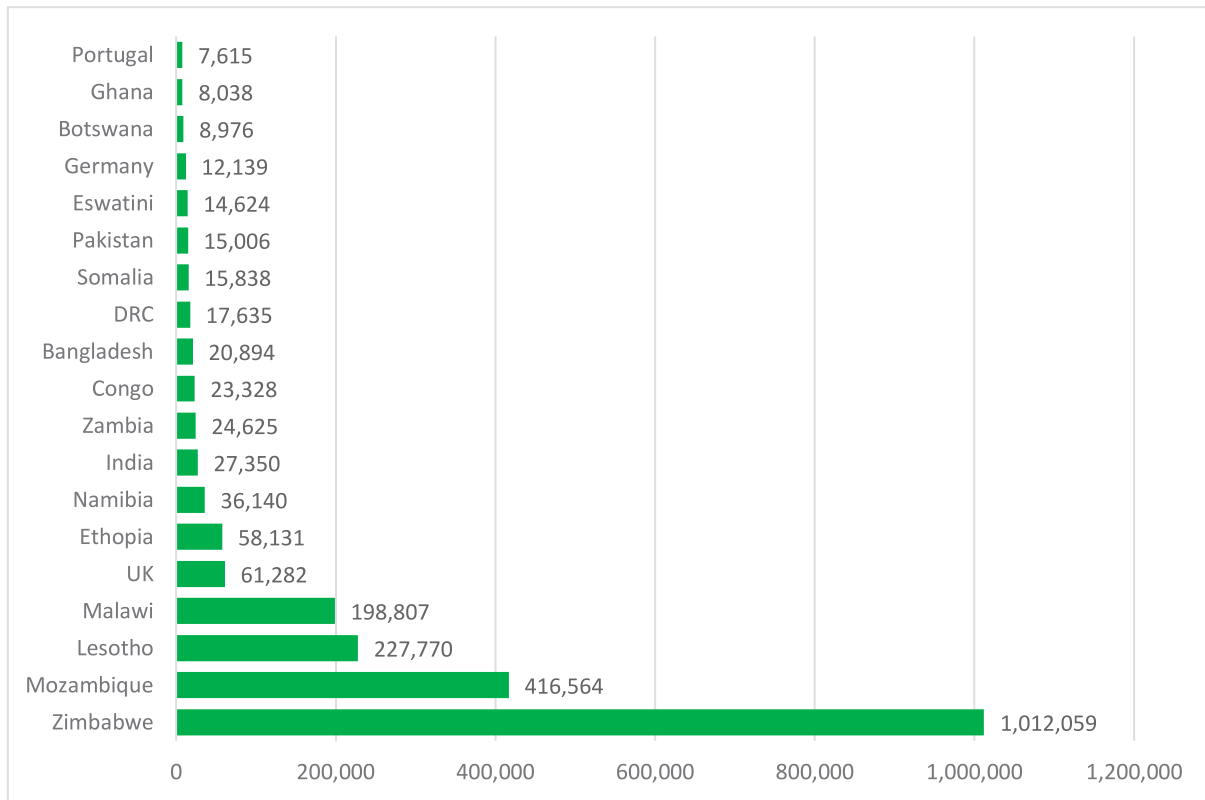
**Table 6 : Provincial migration**

<b>Province</b>	<b>In-migration</b>	<b>Out-migration</b>	<b>Net-migration</b>
Limpopo	459 831	1 661 953	-1 202 122
<b>Western Cape</b>	2043626	303 237	1 740 389
<b>Eastern Cape</b>	431 883	2 009 859	-1 577 976
<b>Northern Cape</b>	152 158	232 649	-80 491
<b>Free State</b>	278 406	608 624	-330 218
<b>KwaZulu-Natal</b>	603 265	1 032 051	-428 786
<b>North West</b>	647 671	521 232	126 439
<b>Gauteng</b>	5 188 286	1 050 551	4 137 735
<b>Mpumalanga</b>	648 017	672 263	-24 246

Source: StatsSA,2023

In terms of in migration and out migration, the net migration shows the province that is either sending out more migrants than that which it receives. Limpopo, Mpumalanga, Free State, Eastern Cape and KwaZulu-Natal have more out-migrations, implying that more residents leave these provinces as compared to those who comes into the provinces, thereby making the remaining provinces in takers of migrants. In 2022, most if the residents moved to Gauteng, followed by Western Cape and lastly North West. This could basically be due to better work opportunities, safer locations that these provinces offer. Limpopo which is still lagging in terms of substantial increment of job opportunities, has most of its residents moving to Gauteng although it is one of the province receiving more foreign nationals. As indicated below, most immigrants are from SADC countries, more especially Zimbabwe.

**Figure 15 : SA top 20 sending countries**



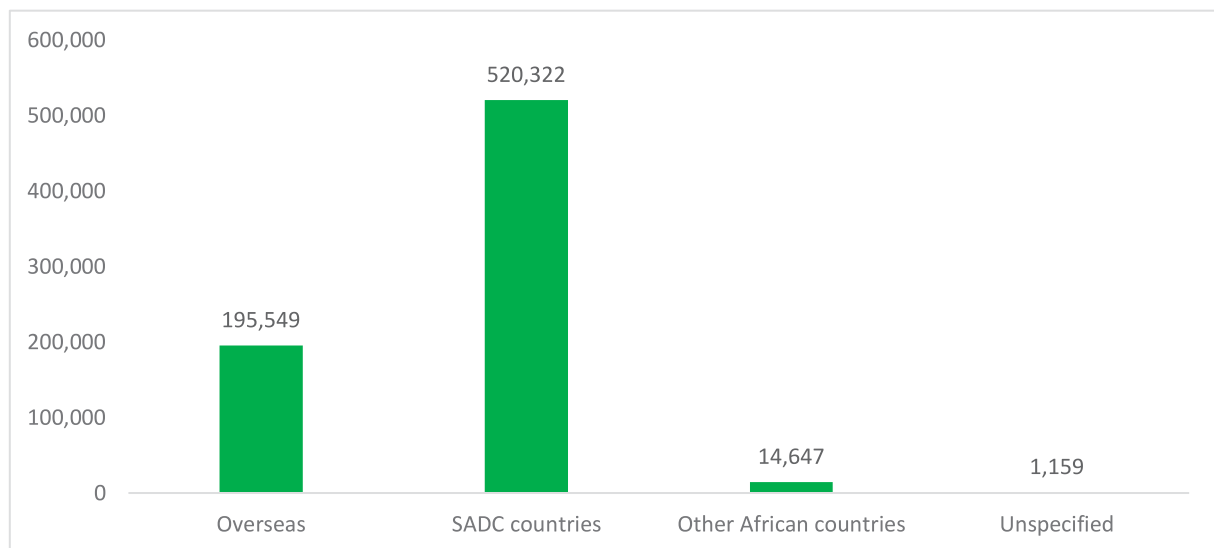
Source: StatsSA, 2022

Eswatini and Botswana are characterized by having smaller populations and less crime rate as compared to South Africa, but there is poverty prevalence. In addition, during 2022 South Africa became a destination for about 14 624 emigrants from Eswatini, 8 976 form Botswana, 227 770 from Lesotho and 36 140 from Namibia, and these are member countries for South African Custom Union (SACU). Zimbabwe is the country which has more of its citizens migrating to South Africa and primarily using the northern Border - Beit bridge which enters through Limpopo thereby temporarily increasing Limpopo population, however, some of the immigrants will be on-route to Gauteng and other provinces. In 2022, around 1 million immigrants into South Africa came from Zimbabwe and it is notable that people migrate for different reason, though it is known mainly that effectively the driving factor behind the Zimbabwe immigration is due to the economic turmoil facing that country.

A brief synopsis shows Lesotho immigrants are found to be working in agricultural workspaces and also in housekeeping. Ethiopia and Somalia immigration comes not

as a surprise, as they basically come to establish businesses (Spaza shops), although, interventions to regulate these businesses is not coming forth, therefore leaving a dent on increased unemployment, tax revenue collection and increased informal activities. Migration has both positive and negative yields as other migrants come to invest, thus benefiting/growing the economy, whilst others become a burden as recipients or user of government services and furthermore increased crime levels.

**Figure 16 : Tourism and migration per region**



Source: StatsSA, Tourism and migration, 2023

In November 2023, 2 582 023 travellers (arrivals, departures, and transits) passed through South Africa's ports of entry/exit. They comprised 647 542 South African residents and 1 934 481 foreign travellers. Foreign arrivals, 1 015 584 were made up of 26 716 non-visitors and 988 868 visitors. The visitors consisted of 257 191 same-day visitors and 731 677 overnight visitors (tourists). The breakdown of the tourists by region were comprised of 195 549 from overseas, 520 322 from SADC countries; 14 647 from 'other' African countries and the country of residence of 1 159 tourists was classified as unspecified.

## 2.4 Conclusion and recommendations

The 2022 Census results indicate an increase in population numbers in South Africa and across all the provinces. Gauteng remains the highest populated province

followed by Kwa-Zulu Natal, whilst Northern Cape is the lowest populated province and Limpopo being the fifth highest populated province. The Census results assists in understanding population dynamics which provides directives to policy planning for developmental purposes. In Limpopo, Vhembe district is the highest populated district with Waterberg being the lowest populated. Limpopo province has more females than males and in terms of population groups it is dominated by black Africans who constitute more than 96.5 percent. It is a well-known phenomenon that citizens migrate from one province to the other as well as from one country to the other searching for better socio economic opportunities.

Limpopo continue to be the gate way for most SADC countries into South Africa especially Zimbabwe. In terms of province to province, most Limpopo residents migrate to Gauteng to look for better opportunities but also to sell skills that might be needed for development. There should be stricter conditions for immigrants coming into Limpopo as some come with investment opportunities while others become consumers of the public services putting a burden on an already constrained provincial fiscus.



## **Chapter 3: Labour market characteristics**

### **3.1 Introduction**

The global economic growth continues to be hampered by socio-economic shocks affecting vastly the global trade. Trade forms a backbone for economic growth and thus have negative effect on such results with stagnant and slow economic growth and furthermore economic recovery from previous shocks such as Covid 19. The war between Russia and Ukraine is also impacting the supply of goods and services. South Africa has been grappling with unemployment as acknowledged by the development of National Development plan which brought out the triple challenges, unemployment, inequality and poverty. The NDP aimed at alleviating this triple challenges but unemployment continues to be a challenge and more especially youth unemployment.

South Africa has been faced with de-industrialization, which have a negative relationship with employment. Most authors found that the relationship between GDP and the share of manufacturing in GDP and employment generally follows an Inverted-U pattern, across countries and over time, except industries with high technological intensity of a manufacturing activity. There is a need to consider specified policies and move from the one size fit all approach in tackling the unemployment challenges especially when confronting at sector and industry specific. Apart from the need for re-industrialization/value addition. South African youth is showing a little interest in engaging in primary agriculture, hence the need to re-ignite the value of agriculture especially in rural areas.

### **3.2 SA labour characteristics**

South Africa has a population of about 40.7 million people of working age (15 – 64 year-old), that is inclusive of Labour force and the Not Economically Active (NEA). Unemployment in South Africa is continuously becoming a challenges despite effort by the government to curb this challenge as it has dire effects on livelihoods and causes social ills within society.

**Table 7 : SA labour characteristics**

	Employed	Unemployed	Not economically active	
			Discouraged	Other
<b>Q1: 2023</b>	16.2 million	7.9 million	3.3 million	13.2 million
<b>Q2: 2023</b>	16.3 million	7.9 million	3.2 million	13.3 million
<b>Q3: 2023</b>	16.7 million	7.8 million	3.2 million	13.1 million
<b>Q4: 2023</b>	16.7 million	7.8 million	3.0 million	13.3 million

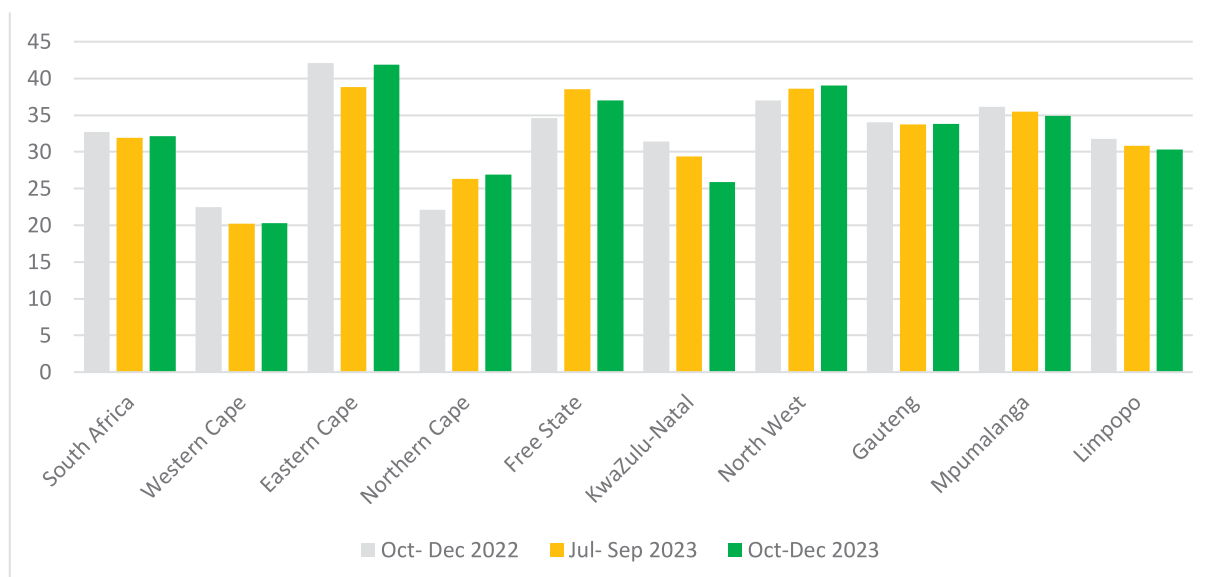
Source, StatsSA, QLFS, 2023

The number of employed population increased to 16.3 million and has almost reached pre-COVID levels of 16.4 million in Q2, however in Q3 managed to exceed the pre-Covid-19 level as it increased to 16.7 million and remained at remained at 16.7 million in Q4. This is the 8th consecutive increase since Q4: 2021. Official unemployment rate has decreased by 0.3 of a percentage point to 32.6 percent in Q2 and in Q3 decreased to 31.9 per cent. The number of employed persons decreased by 22 000 to 16.7 million in Q4: 2023, while the number of unemployed persons increased by 46 000 to 7.9 million compared to Q3: 2023, resulting in an increase of 25 000 (up by 0.1%) in the labour force.

The number of Not Economically Active persons decreased by one thousand in Q2:2023 compared to Q1:2023 and in Q3 decreased by 186 thousand compared to Q2. The number of discouraged work-seekers decreased by 107 thousand while the number of people who were not economically active for reasons other than discouragement increased by 218 thousand between the two quarters, resulting in a net increase of 111 thousand in the not economically active population. Employment increased by 399 thousand in the third quarter of 2023 following an increase of 154 thousand in the second quarter of 2023. As depicted in above, employment has been increasing in the third quarters of each year since 2017, except for a decline in 2021.

### 3.3 SA unemployment rate

Figure 17 : Unemployment rate per province (q/q and y/y change)



Source, StatsSA, QLFS, 2023

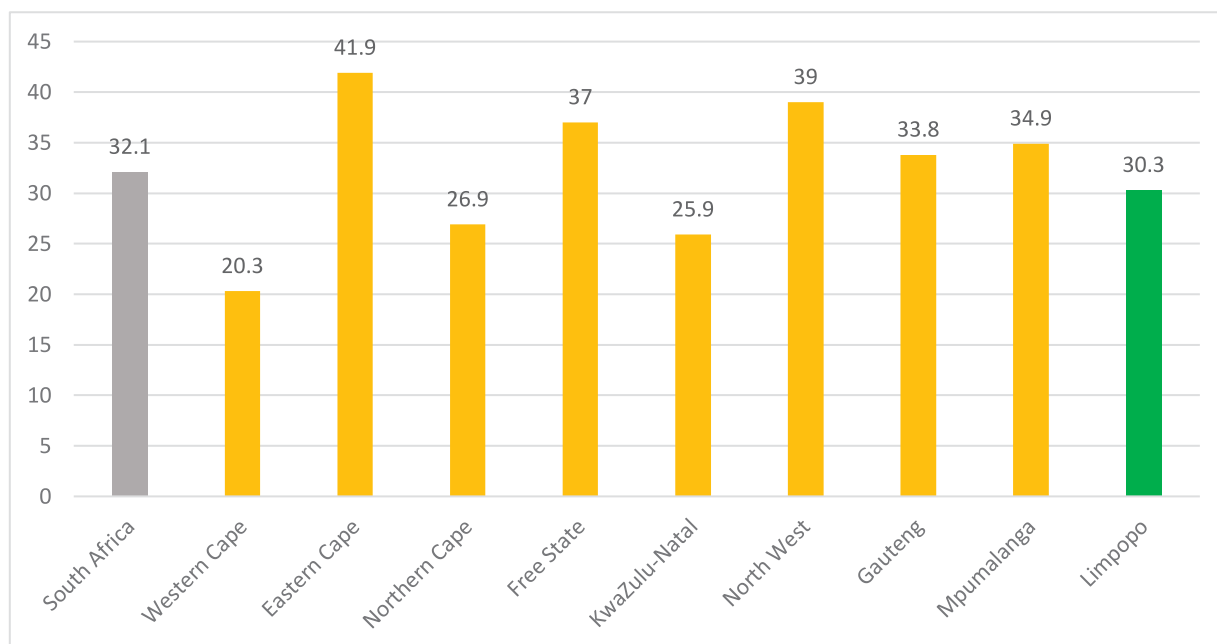
South Africa’s unemployment in Q4 of 2022 was at 32.7 percent which was more than the rate in Q4 of 2023 depicting a decrease in unemployment over a year. Limpopo unemployment rate in Q4 of 2022 was 31.8 percent and as like with South Africa there was a decline however for Limpopo which fell to 30.3 percent. Eastern Cape, North West and Free state are having high levels of unemployment although on year to year unemployment rate in Eastern Cape has been declining compared to Free State where there is persistent increase on y/y and q/q. Western cape is recording significant decline in unemployment from 22.5 percent in Q4 2022 to 20.3 percent in Q4 of the following year. Given this reference period, the highest unemployment rate was in Eastern cape at 42.1 percent in Q4 of 2022 whilst the lowest is in Western Cape at 20.2 percent in Q3 of 2023.

In terms of q/q official unemployment rate decreased in SA increased from 31,9 percent in Q3 2023 to 32.1 percent in Q4 2023. The official unemployment rate increased in six provinces. The largest increases were recorded in Eastern Cape

followed by Northern Cape, Free State, Mpumalanga and Limpopo recorded decreases in the official unemployment rate.

On the other side Limpopo has been having the unemployment rate almost equalling that of South Africa.

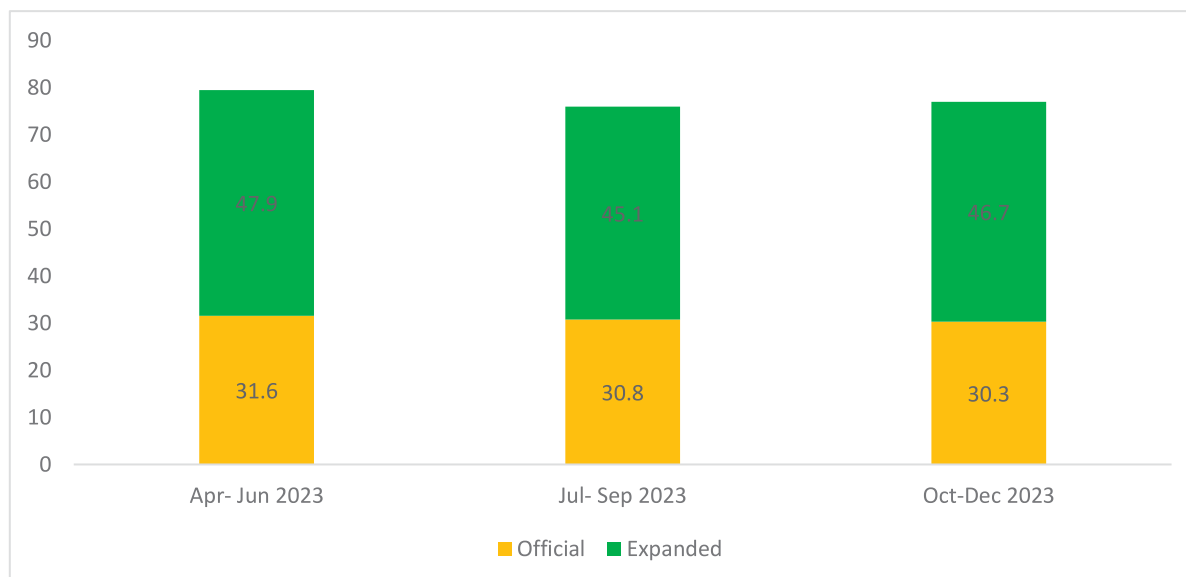
**Figure 18 : Unemployment rate per province (Q4 2023)**



Source: StatsSA, QLFS, Q4, 2023

During Q4 of 2023, the official unemployment rate in South Africa was 32.1 percent and for Limpopo it was recorded at 30.3 percent, a bit lower than South Africa's unemployment rate. Western Cape continues to have lowest levels of unemployment whilst Eastern Cape, Free State and North west had unemployment rate of above 38 percent. Out of traditionally impoverished regions or provinces, Limpopo has showed improved in reduction of unemployment consequent to which in Q2 :2023 it was the province with largest increase in employment, of about 80 thousand more jobs.

**Figure 19 : Limpopo Unemployment rate (official and expanded definitions)**



Source: StatsSA, QLFS, Q4, 2023

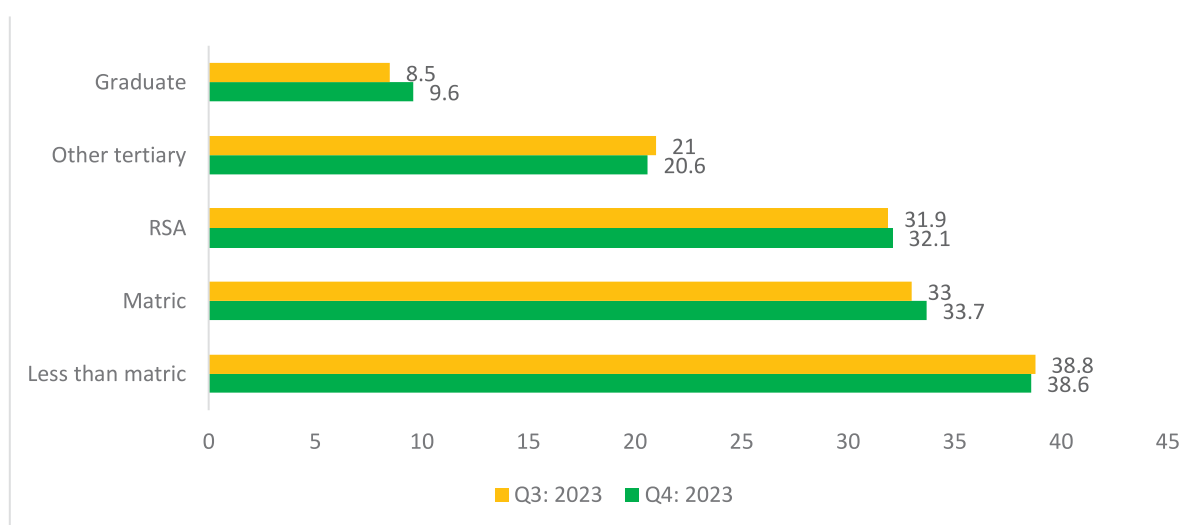
There is still a pursued discussion on which definition of unemployment is proper and appropriate definition in measuring unemployment between official unemployment and the expanded definition. Limpopo is still regarded as one of the impoverished provinces and therefore needs proper and feasible interventions to pull out of this quintile. The different types of jobs have a causal link, because professional worker might need on daily basis the services of an unskilled labour. Therefore, if there are less professional workers, there would also be less demand for less skilled workers. Venturing into business as hampered by lack of start-up capital may in the short -run not create a substantial amount of jobs, to reduce the scourging unemployment.

Limpopo official unemployment rate is lingering between 30-31 percent, when comparing it on y/y and q/q with reference to Q3: 2023. During Q4 of 2022 the official unemployment rate was 31.8 percent and when compared to Q4 2023, whereby unemployment rate is 30.3 percent shows very less difference. Regarding Q/Q basis, unemployment rate in Q3 2023 was 30.8 percent which is not significantly different from the Q4 2023 unemployment rate of 30.3 percent.

### 3.4 Unemployment rate per educational level

In moving with international developments, the need to adapt to lively phenomenon such as the Fourth Industrial Revolution (4IR) becomes part of daily lives given its importance for global competitiveness. Countries found to be remaining behind with adaptability to such phenomenon fail to compete on global market therefore making them net importers therefore affecting trade balance and reduced economic growth.

**Figure 20 : SA Unemployment rate per educational level**



StatsSA, QLFS Q4, 2023

It is worth noting the significant impact of education on mitigating a nation's unemployment rate. Possessing a tertiary education, especially a degree, enhances one's likelihood of securing employment. In Q4:2023, individuals with an educational attainment less than matric recorded an unemployment rate of 38.6 percent (down by 0.2 of a percentage point), while graduates had a rate of 9.6 percent (up by 1.1 percentage points) compared to the previous quarter. Unemployment rates for those with matric or lower educational qualifications exceeded the national rate, whereas individuals with other tertiary qualifications and graduates had rates below the national unemployment rate.

As indicated earlier, education plays a significant part in individual's employability chances, however the job market to some extent dictates required skills and type of

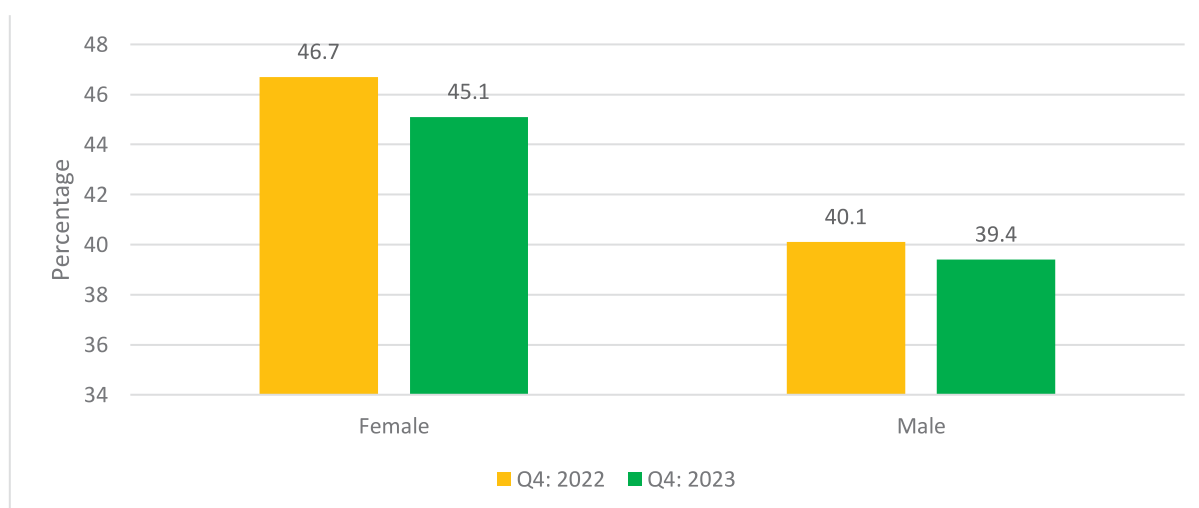
education one has to attain. In both Q3 and Q4 of 2023, it is evident that most unemployed are those with less than matric, followed by those with just only matric, then those with other tertiary education, at around 8.5 percent and 9.6 percent in Q3 and Q4, respectively. Intuitively, graduates are more employable in South Africa. On the other side due to poverty, some after passing matric may not afford pursuing their studies whilst some are forced to go look for a job at an early age especially in impoverished child-headed households.

Unemployment rates for those with matric or lower educational qualifications exceeded the national rate, whereas individuals with other tertiary qualifications and graduates had rates below the national unemployment rate. Year-on-year comparisons indicated that the unemployment rate decreased for all education levels, with a substantial decline observed among graduates.

### 3.4.1 Not in employment, education or training (NEET)

Some young people have been disengaged from the labour market and they are also not building on their skills base through education and training – they are not in employment, education or training (NEET). The NEET rate serves as an important additional labour market indicator for young people.

**Figure 21 : SA youth NEET per gender (y/y)**



Source: StatsSA, QLFS, Q4 2023



Comparing Q4 2022 to Q4 of 2023, the NEET rate for females decreased by 1.6 percentage points, and for males the rate decreased by 0.7 of a percentage point. In both Q4: 2022 and Q4: 2023, more than four in every ten young people were not in employment, education or training of course this is a worrisome and on-going challenge needing accelerated interventions.

### 3.5 SA and Limpopo employment

#### 3.5.1 Employment by sector

**Table 8 : Employment by sector-SA and Limpopo**

	Jul-Sep 2022 000'	Oct-Dec 2022 000'	Jan- Mar 2023 000'	Apr- Jun 2023 000'	Jul-Sep 2023 000'	Oct- Dec 2023 000'
<b>South Africa</b>	<b>15 765</b>	<b>15 934</b>	<b>16 192</b>	<b>16 346</b>	<b>16 745</b>	<b>16 723</b>
Formal sector	10 835	10 977	11 186	11 329	11 616	11 488
Informal sector	2 971	2 955	3 062	3 029	3 058	3 181
Agriculture	873	860	888	894	956	920
Private households	1 088	1 142	1 056	1 093	1 116	1 134
<b>Limpopo</b>	<b>1 337</b>	<b>1 317</b>	<b>1 388</b>	<b>1 469</b>	<b>1 539</b>	<b>1 498</b>
Formal sector (non-agricultural)	721	783	788	808	855	825
Informal sector (non-agricultural)	374	341	381	406	449	455
Agriculture	140	107	124	149	138	129
Private households	101	85	96	106	97	90

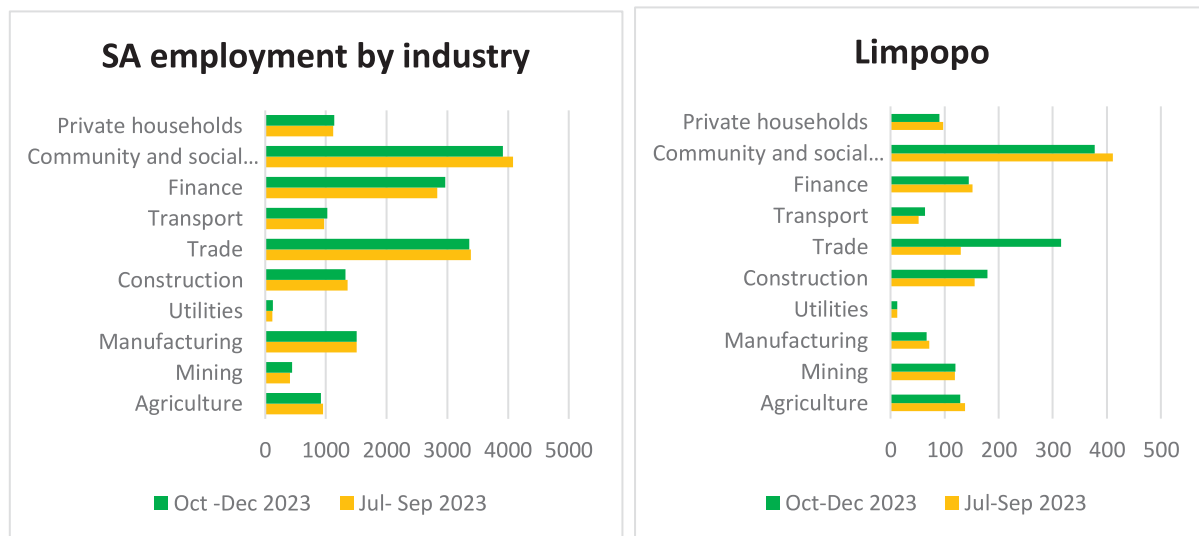
Source: StatsSA, QLFS, 2023

Out of 15.7 million employed people in South Africa, in Q2 of 2022, 1.3 million are from Limpopo, disaggregating it into the relative four (4) sectors, formal sector (non-agricultural), informal sector (non-agricultural), agriculture and lastly private household sectors, the formal sector is the highest employing sector followed by informal sector. There is a notable gradual quarterly increase of employed people since Q3 of 2022 to Q3 of 2023, after which there was a minor decline Q4 2023. In terms of informal sector

in Q4 (Oct – Dec 2022), there were 341 thousand employees in Limpopo, which is a decline as compared to 455 thousand employed persons in Q4 of 2023. The only sector that never experienced decline in employment for this period is the formal sector. Intuitively, there is a need to explore fully the potential of other sectors in increase employment given the possible linkages among this sectors. Private household remain lowest employing sector in Limpopo against agriculture, which is a lowest employing sector in South Africa, this shows different employers patterns per provinces.

### 3.5.2 SA and Limpopo employment by industry

**Figure 22 : SA and Limpopo employment by industry (y/y)**



Source: StatsSA, QLFS, Q4 2023

In terms of employing industries, finance, community and social services and agriculture are amongst the industries with high employment rate in both Limpopo and South Africa. The utilities have for the reference period being the lowest contributor to employment in Limpopo and South Africa.

### 3.6 Conclusion and recommendations

There is a marginal decrease in the level of unemployment in the country and the province, however provinces such as Eastern Cape and Free State needs further

interventions aimed at unblocking impediments to employment creation as the level of unemployment keeps increasing. The issue of proper skills are needed for efficient productivity, more attention still needs to be given to labour intensive sectors to decrease unemployment rates, concurrent with on-job learning initiatives. It is worth noting the importance of education on person's employability. Unemployment rate per educational level shows that a smaller percentage of graduates are not employed whilst those with less than matric and matric are unemployed in large numbers.

Industries such as the finance community are having increased employment percentages. The on-going enrolment of students towards qualifications that are no longer in much demand is still prevailing, therefore leading to the skill mismatch and subsequently non-employability. Government broader policies and strategies such as Youth Employment Services (YES) programme, EPWP and other youth tailor-made initiatives play a vital role in curbing youth unemployment as there is a significant number of youth not in employment, education and training, larger share being females.

Limpopo provincial government will need to pay attention to the impediments of employment creations in the province and come up with strategies to unlock job opportunities as there is great potential from the province, mainly in the mining and the agricultural sectors. Relevant skills that will match the job market or are needed in the province need to be identified so that the young people in the province can be trained on them.

## **Chapter 4: Development indicators**

### **4.1 Introduction**

In the context of the country's development, policies ought to be primarily focused around human development. Human development serves as a significant indicator in measuring development status including human progress. Various indicators utilized to measure development will be analyzed in this chapter. In developing and underdeveloped countries there is unquestionable need and drive for socio-economic upliftment and therefore countries geared towards improved development have the potential to attract investment. Following this, if a country overtime through its policy interventions reduces poverty levels, increases literacy levels as well as increases life expectancy among others, foreign investment can be attracted. Subsequently, economic growth is then realized which could be re-directed to development, thereby achieving higher levels of development. Although growth does not guarantee development, it is however a necessary pre-condition for development.

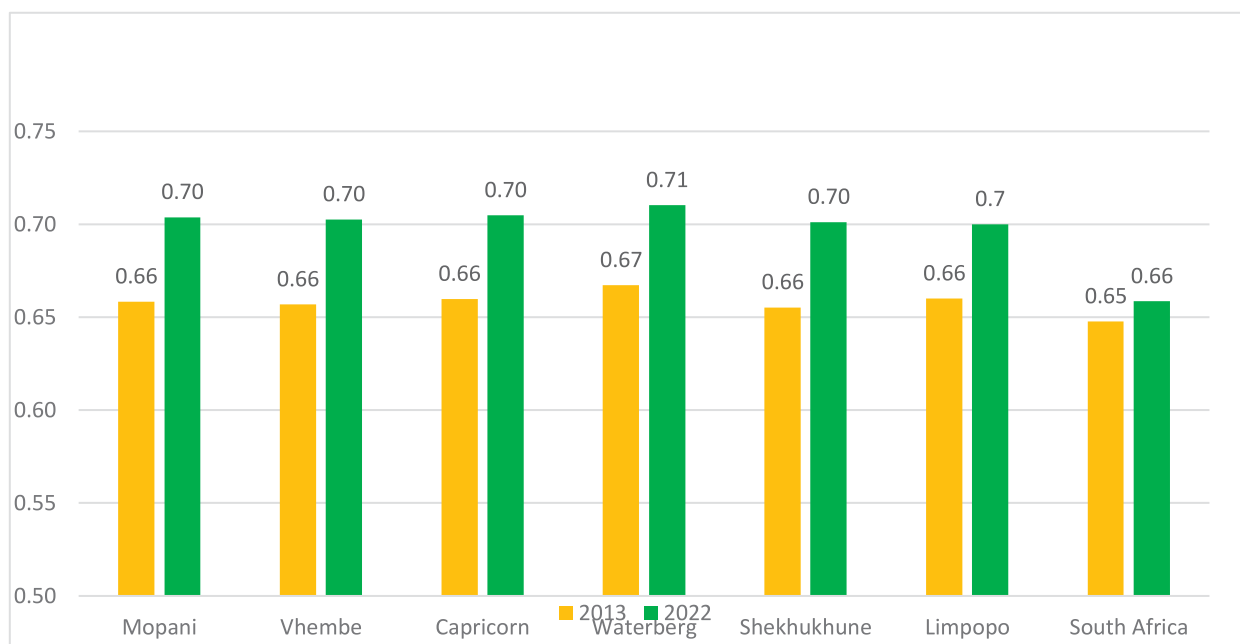
Development is not immune to external shocks such as health pandemics, geopolitical fragmentation and other factors. The effects of disease breakout and erupting wars can have setbacks on the path to development.

### **4.2 Human Development**

Human development is measured through the Human Development Index (HDI) developed by the United Nations Development Programme (UNDP) which is used to measure and track development progress among countries, as it provides valuable and accurate information to policymakers to make sound and informed decisions. HDI can be defined as a composite relative index used to compare human development across population groups or regions. It is a combination of three basic dimensions of human development namely a long and healthy life, knowledge or education and a decent standard of living. The status of health is measured by means of life expectancy at birth. The status of knowledge or education is determined by measuring the levels of adult literacy and/or the enrolment in primary, secondary and tertiary schools. A

decent standard of living is typically measured using Gross National Income (GNI) per capita.

**Figure 23 : SA and Limpopo Human Development Index**



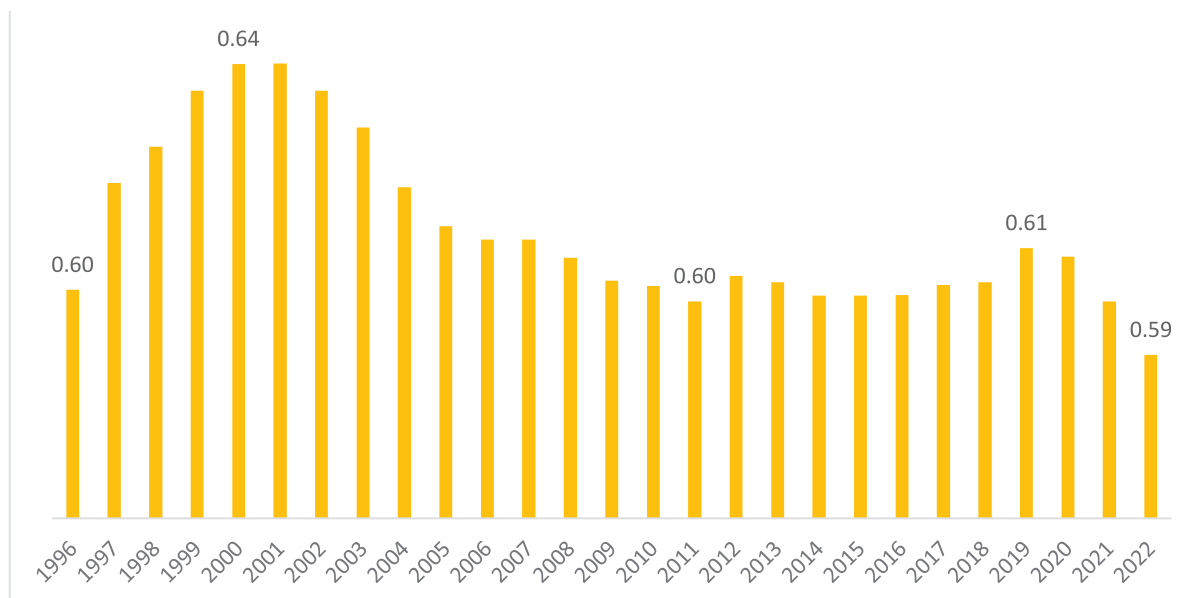
Source: Quantec, 2023

The previous ten (10) year period between 2013 and 2022 indicates that there was an improvement in HDI levels in South Africa, as well as in Limpopo and within its districts. The HDI rate in the the Limpopo districts in 2022 has reached 0.70 whereas in 2013 the HDI rate was 0.66. Although this is still lower when compared to developed countries having HDI levels of around 0.85 which signifies the advanced levels of human development in those region. An increase in HDI level in Limpopo indicates that the implementation of provincial policies have to a certain extent improved the health status of the population through increased access to health care services, and the education level through investment in early childhood development education and lastly improved access to economic opportunities.

### 4.3 Limpopo inequality - Gini Coefficient

Income inequality is one of the major challenges facing South Africa. The Gini coefficient is the most common measurement of levels of inequality. The Gini is an index between 0 and 1 which measures the distribution of income in an economy and shows how the distribution of income differs from total equality. Total equality exists when the Gini coefficient measures zero, which means all households earn an equal income. Whereas a measure of 1 demonstrates total inequality, meaning one household earns all the income and other households earn nothing.

**Figure 24 : Limpopo Gini Coefficient**



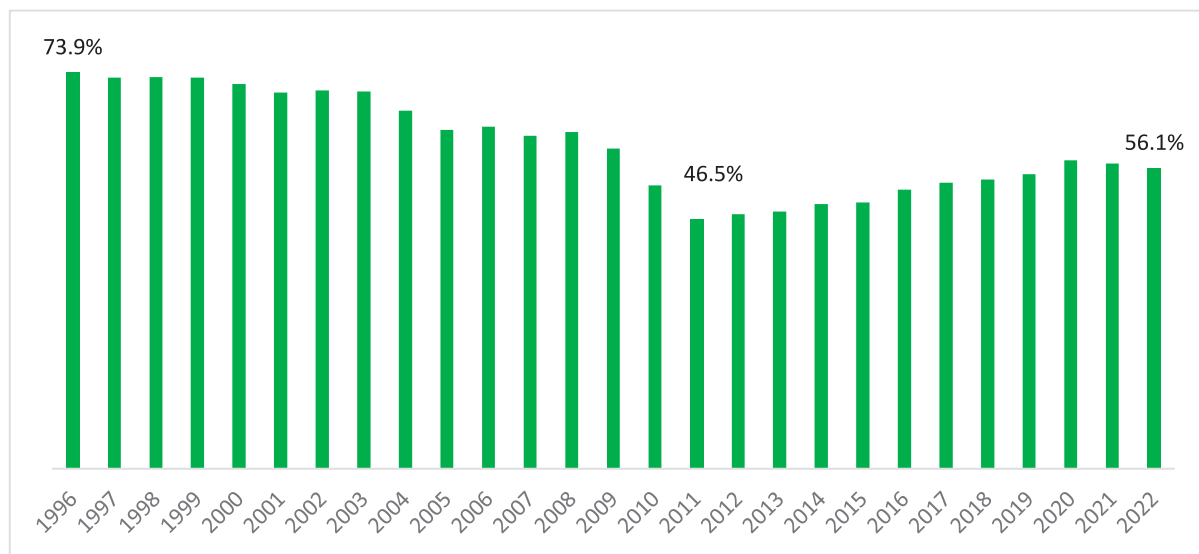
Source: IHS Markit – Regional Explorer, 2023

Limpopo's Gini co-efficient in 1996 was at 0.60 and the inequality worsened and reached a peak of 0.64 in 2000 and slowly improve in subsequent years to 0.60 in 2011 but again regressed to 0.61 in 2019. The Gini co-efficient is estimated to be at an improved level of 0.59 in 2022. Despite the introduction of social and economic development interventions that reach many poor households, inequalities in the province have been tougher to reduce and remains persistently high. The Province has set a target of 0.50 which calls for further strategies to ensure that the income inequality gap is reduced.

#### 4.4 Limpopo poverty rate

Government's commitment on poverty alleviation is continuous, complimented by specific income and employment programs being implemented to reduce the poverty levels such as the Expanded Public Works Programme (EPWP), Social Relief of Distress Grant (SRD) and others. People living in poverty are faced with various challenges in making ends meet on a daily basis. Poverty has been known to inhibit socio-economic development within society.

**Figure 25 : Share of people below the lower poverty line**



Source: IHS Markit – Regional Explorer, 2023

Limpopo has recorded a decline in the percentage of people living under the lower bound poverty line by 17.8 percentage points from 73.9 percent in 1996 to 56.1 percent in 2022. The Limpopo Development Plan has set a provincial target for the percentage of people living under the lower bound poverty at 20 percent. In terms of Stats-SA National Poverty Lines, the lower-bound poverty line, is an income of R890 per person per month, while the food and upper-bound poverty line is R624 and R1268 per person per month respectively. Limpopo is reported to have the second highest poverty level in the country since 2016, following the Eastern Cape.



## 4.5 Conclusion and Recommendation

In order to realize full potential for development a country such as South Africa has to assess the developmental status, so to gain proper knowledge of areas that are advancing and those lagging behind needing intervention. There is an improvement in HDI levels in South Africa, as well as in Limpopo and within its districts although this is still lower when compared to developed countries. Poverty is still existing in Limpopo and the intervention through social grants is not fully responsive in pushing citizens out of poverty, hence a sizeable number of people still living below poverty levels.

Income inequality still prevails in South Africa as well as Limpopo although somewhat declining. This decline serves as an encouragement to the government on its development aims. Although growth does not guarantee development, it is however a necessary pre-condition for development. On the other hand, all indicators of development are equally important and should all be pursued in order to achieve higher levels of development which can further translate into economic growth through investments.

## **Chapter 5: Education**

### **5.1 Introduction**

Existing evidence as supported by literature, proves that education is an anchor element for national development. Proper education is significant across sectors in increasing productivity thus inducing competitiveness. South Africa's education system begins by catering for young children through Early Childhood Development (ECD), which prepares the young learners as they grow and enroll for primary and secondary schooling and even for tertiary institutions. Education systems differ per country due to socio-economic factors. Countries with high levels of literacy tend to better development as compared to countries with lower levels of literacy. Poorly educated or even uneducated children may resort to criminal activities or even substance abuse due to lack of engagement in economic activities.

South Africa as well as Limpopo province continue to pay sufficient attention to education evident through investment made into educational infrastructure. Efficient education systems enable the country to respond to global shocks and new phenomena. Limpopo's literacy level has over the years been improving but not at desired levels hence the continuous intervention efforts. The COVID-19 pandemic also created a setback on the progress made since new ways of learning had to be introduced wherein learners were not prepared for such and adaptability rate was quite slow. The global world in its nature is dynamic and therefore education is imperative in responding to such changes.

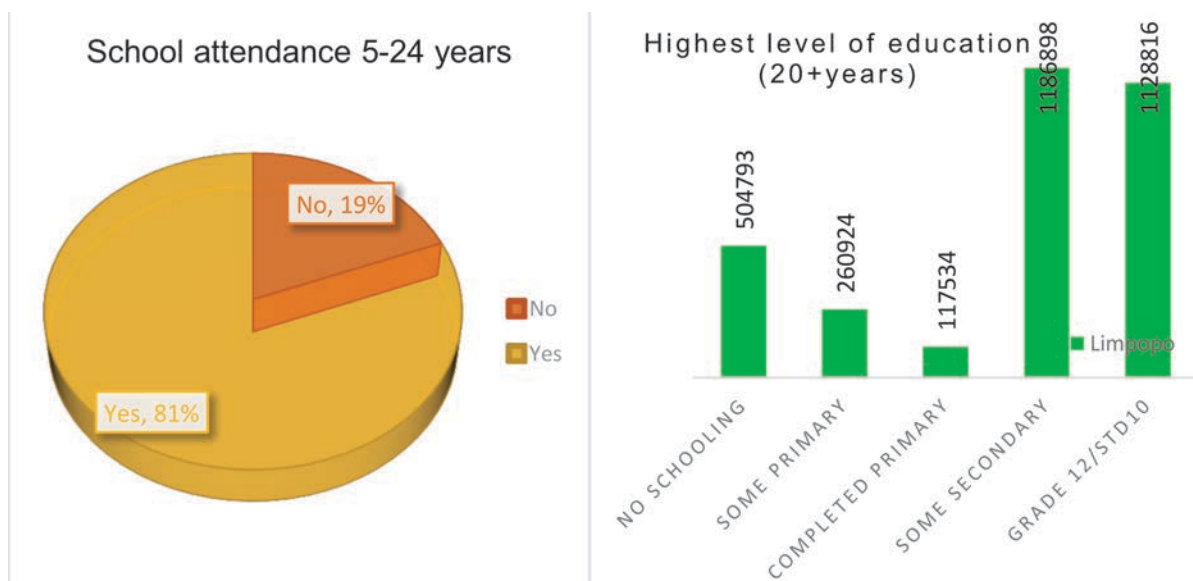
At the heart of development in the schooling sector must be what learners learn. This is made clear in the National Development Plan (NDP) and the Sustainable Development Goals. It continues to be of great significance for South Africa's development that learning outcomes, according to reliable standardised testing programmes, improved for many years.

Limpopo Province's commitment to provision of quality education is realisable with it heeding to the national call on improved Early Childhood Development. The Department has increased the number of ECDs in the province and on the other side shown commitment by continuous provision of scholar transport to learners that do not live close to their school, thereby ensuring provision of access to learning facilities with ease. Across the globe, it is believed that for the development of a country, there must be a sizeable investment in education and has over time proven to be significant. Education allows people to engage meaningfully and assist in the development of the provincial economy as well as better understanding of social issues that are confronting the province. Limpopo Province is continuously fulfilling its commitment to provide access to education given the increasing number of teachers employed on an annual basis.

## 5.2 Educational performance

For measurement of education two indicators were considered school attendance (5 – 24 years) and highest level of education (20+ years).

**Figure 26 : Limpopo educational performance**

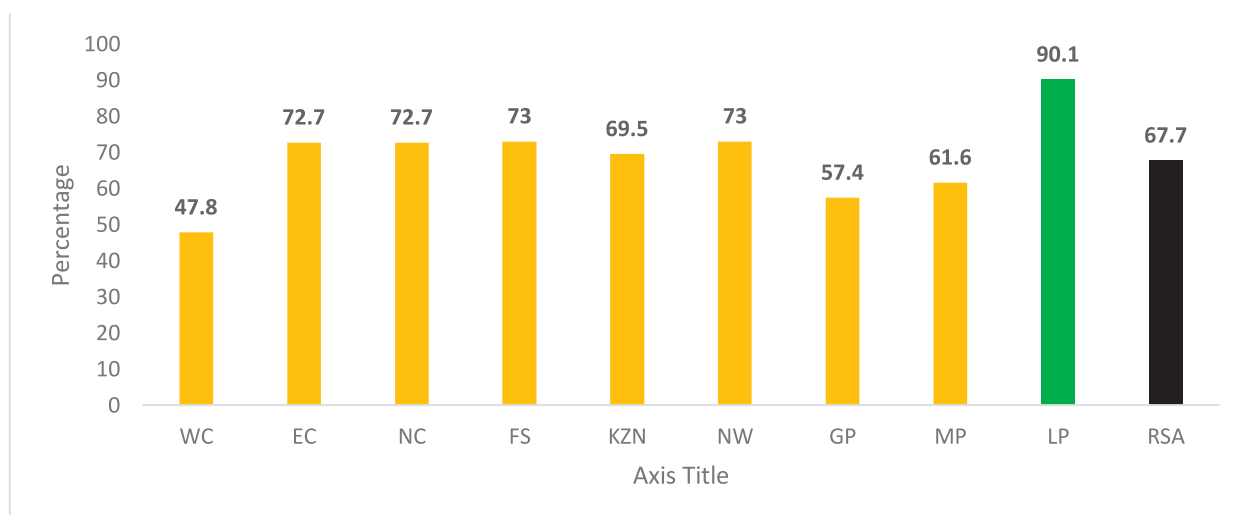


Source: StatsSA, Census, 2022

Out of 3.5 million respondents on the highest level of education for Limpopo people over 20 years, 33.1 percent of them have some secondary education and 31.5 percent have completed Grade12/Matric. There is still 504 thousand people with no schooling which is worrisome, majority coming from Mopani, followed by Vhembe and Sekhukhune. Capricorn (education hub of Limpopo) had 814 thousand respondents and only 83 thousand (10.3 percent) had no schooling and interestingly it had highest number of respondents with higher education being 111 thousand.

Intuitively, people close to job opportunities which requires manual labour such as mining may decide not to pursue education but rather seek employment at a young age. In Limpopo there are 1.8 million people who attended school as compared to 445 thousand who did not attend school between the 5 – 24 years. Vhembe district has the largest number of people who did not attend any school followed by Capricorn, Mopani, Sekhukhune and lastly Waterberg. Early Childhood Development will assist in further reducing the number of people not attending school. The provincial government is heeding this call to increase the number of pupils attending the ECD programme.

**Figure 27 : Individuals aged 5 years and older who attended schools and who did not pay tuition fees, by province, 2022**

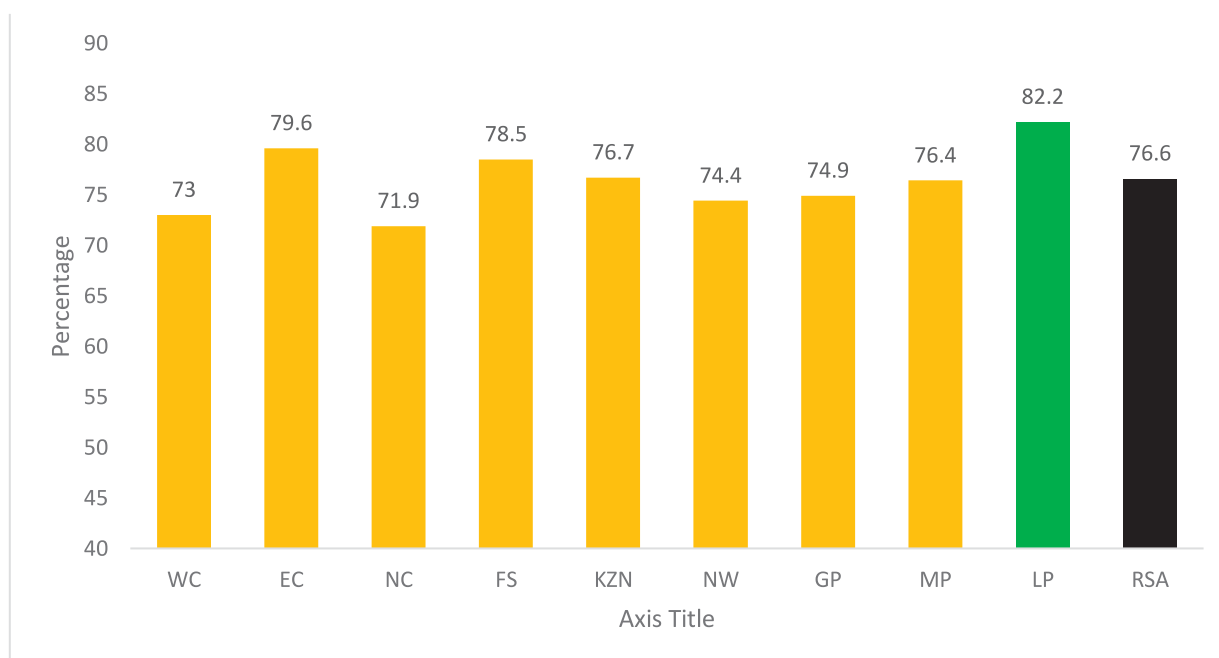


Souce: StatsSA, GHS, 2022

Although inadequate access to funding for payment of fees remains a major hurdle for learners, more than two-thirds (67.7%) of learners aged five years and older in South

Africa attended schools where no tuition fees were paid in 2022. The percentage of attendance of non-tuition paying schools was most common in Limpopo (90.1%), and least common in Western Cape (47.8%), and Gauteng (57.4%). Intuitively, rural areas do not have much tuition paying schools, most if not all schools in such areas are government schools with no fee payments. Provinces with significant percentage of urban areas will have fee paying schools, furthermore this is due to economic status of households. As highlighted earlier, 90.1 percent attendance to no-fee paying school corroborate with the Limpopo Government dedication to improving access to education.

**Figure 28 : Individuals aged 7 to 24 years who attended educational institutions by province, 2022**

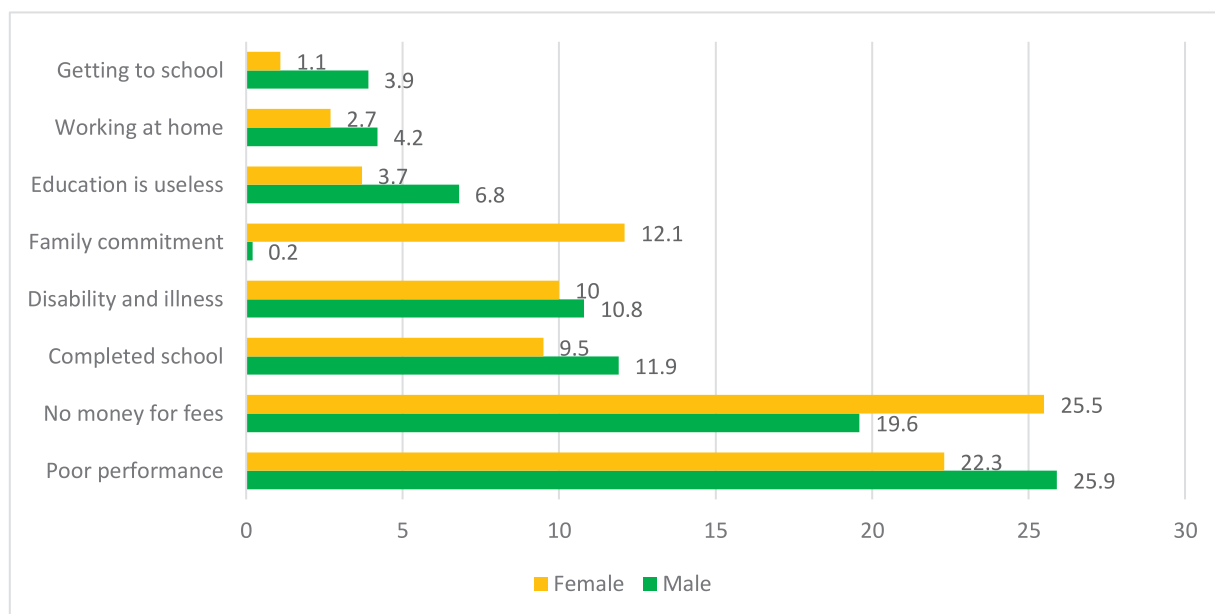


Source, StatsSA GHS, 2022

Nationally, the percentage of persons aged 7–24 who attended educational institutions increased from 73.1 percent in 2002 to 76.6 percent in 2022. Furthermore, such attendance has increased across all provinces between 2002 and 2022. In 2022, Limpopo had the largest percentage of individuals aged 7 to 24 years who attended educational institutions. This improvement portrays a positive milestone towards provision of education to everyone regardless of demographic factors.

There are reasons for individuals not able to attend educational institutions and differ per individual and some are household based. To some extent such reasons are different across gender.

**Figure 29 : Individuals aged 7 to 18 years for not attending an educational institution by sex 2022**



Source: StatsSA, GHS, 2022

The main reasons provided by males and females in the age group 7–18 years for not attending any educational institutions are commonly poor performance 24.2 percent, no money for fees 22.4 percent and other reason making up to 15 percent as the main reason for not attending an educational institution. Approximately, one-fifth of individuals aged 7-18 years indicated that they have either completed school or have a disability and illness as the main reason for not attending school at 10.8 percent and 10.4 percent, respectively. Almost 6.0 percent of these individuals left their studies as a result of family commitments. Family commitments referred to herein includes getting married, minding children and pregnancy, and such are more prevalent on females than males.

### 5.2.1 Grade 12 (Matric) performance

One important milestone in the South African education system is passing Grade 12 (Matric). It is regarded as a gateway for further post matric education later leading to individual employability, as alluded to earlier those who passed matric and graduated, are more likely to be absorbed into the labour force.

**Table 9 : SA vs Limpopo Grade 12 (Matric) pass Rate (2019-2023)**

	SA	LP
2019	81.3	73.2
2020	76.2	68.2
2021	76.4	66.7
2022	80.1	72.1
2023	82,9	79,5

Source: Department of Basic Education, 2023

The COVID-19 pandemic had a significant negative impact on the 2021 matric learners results performance, as learners lost or missed a number of schooling days due to lockdowns, however, at the end of lockdowns, the province came up with strategies and adaptations for improving the matric pass rates. In Limpopo, the overall results declined from 73.2 percent in 2019 to 68.2 percent in 2020, and further declined to 66.7 percent in 2021 and then increased to 72.1 percent in 2022 which is the second highest pass rate for Limpopo since 2019.

In 2023 South Africa's matric pass rate increased from 80.1 percent in 2022 to 82.9 percent and from 72.1 percent 79.5 percent for Limpopo. Accordingly, it implies that teaching and learning methodologies have improved from the frustrations and impediments brought by COVID-19 or it could be that things are returning to the pre pandemic norms. Limpopo in 2023, moved from being the lowest performing province in terms of matric pass rate and improved two places up from being ranked 9<sup>th</sup> to 7<sup>th</sup> position. Seemingly, there are commendable interventions by Limpopo government in improving the matric pass rate in 2023 which need to be maintained.



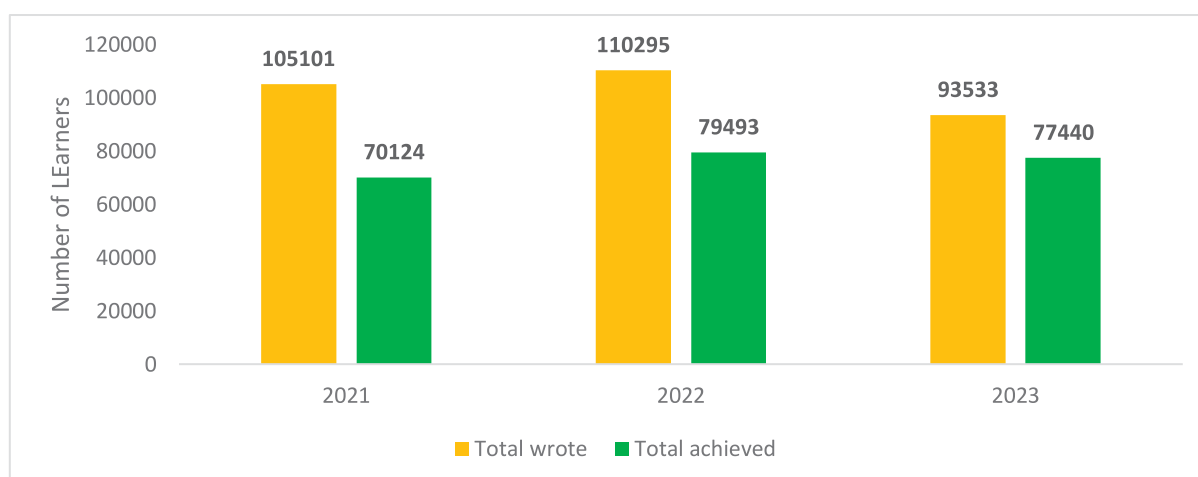
**Table 10 : Overall Performance of the 2023 Grade 12 Cohort**

Provinces	2023			Rankings
	Total Wrote	Total Achieved	% Achieved	
Eastern Cape	95 697	77 917	81.42	6
Free State	34 451	30 673	89.03	1
Gauteng	127 697	109 030	85.38	3
Kwazulu-Natal	157 911	136 366	86.36	2
Limpopo	93 533	74 400	79.54	7
Mpumalanga	65 534	50 429	76.95	8
North West	41 418	33 808	81.63	4
Northern Cape	12 842	9 740	75.84	9
Western Cape	62 077	50 620	81.54	5
<b>National</b>	<b>691 160</b>	<b>572 983</b>	<b>82.90</b>	

Source: Department of Basic Education, 2023

With reference to the table above, majority of learners who wrote the 2023 matric examination were from KwaZulu-Natal followed by Gauteng province. Number of learners can effectively influence the pass rate hence Free State which is ranked first in terms of pass rate has second lowest number of learners who sat for the exam. However, this statement is not holistically a true reflection since the Northern Cape Province, which has the lowest population in South Africa also had the lowest number of learners who wrote and passed matric in 2023.

**Figure 30 : Limpopo province matric performance 2021- 2023**



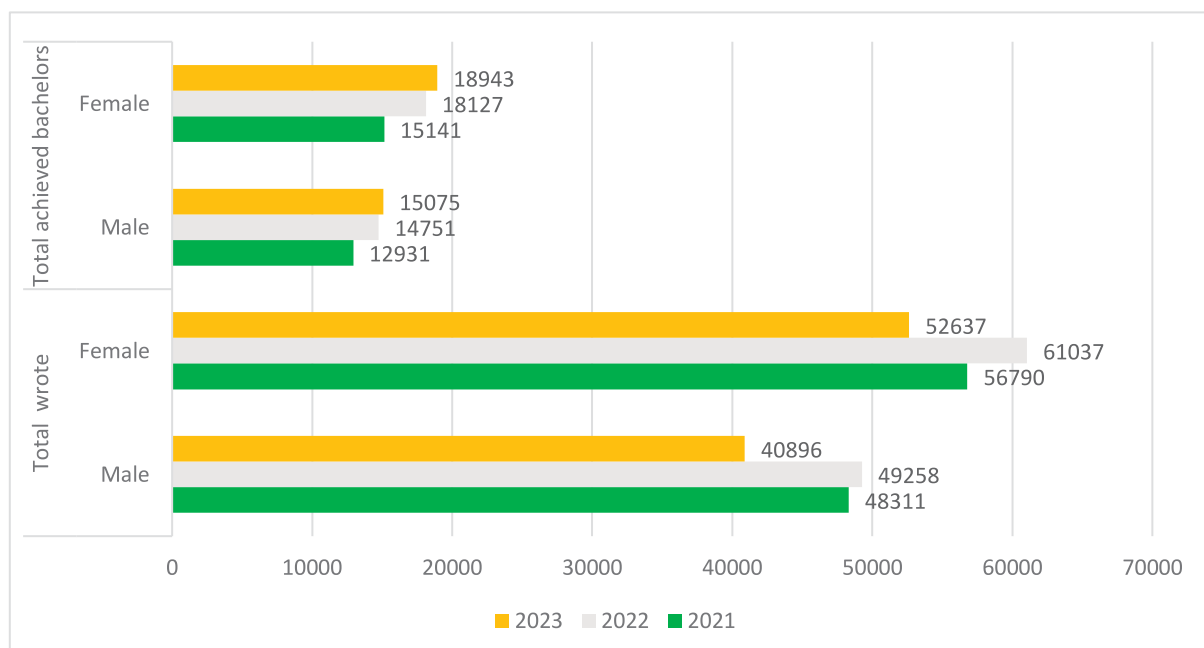
Source: Department of Basic Education, 2023

Adding to the above, over the three-year period (2021-2023) there has been an improvement on the proportion of those who wrote matric examination against those who had achieved. However, there was a decrease in the number of pupils who wrote matric in 2023 as compared to preceding years. Matric pass is categorised into 3 types being certificate, higher education and bachelor, determining entry to different types of institutions of higher learning with the best or highest being Bachelor, as it affords learners entrance to study bachelor degrees at Universities.

### 5.2.2 Bachelor achieved by gender

Historically a fairly large proportion of black females were discouraged from attending school by their families as well as the community in large. It was believed that females were meant to be responsible for household chores in preparation for marriages in the future. Cultural practices such as ukuthwala which was more practiced in the Eastern Cape as well as Western Cape are evident to this notion.

**Figure 31 : Number of bachelors achieved by gender**



Source: StatsSA, GHS, 2022

In terms of gender, over this three-year period, more females registered to write their matric and more females achieved bachelors than the male counterparts. The societal notion especially in black communities that females were not meant for school was in this case proved to be a fallacy. More females have to be encouraged to go to school in order to better their future since there are proven to be capable.

#### **5.4 Conclusion and recommendations**

South Africa is achieving improved Grade 12 (matric) pass rates implying increased literacy rate. This is a positive for a country in need of proper growth and development. Proper education assists a nation in absorbing the external shocks. The introduction and sizeable focus on ECD's assist little children to grow within the education system. Increased ECD is a proper intervention, as it feeds into primary schooling through to post matric schooling, and parents/guardians should be encouraged to take their kids to school. Historically women were discouraged from attending school but to focus on family commitments. The comparison of matriculants per gender who enrolled for matric between 2021-2022 indicate that women are equally capable of achieving bachelors passes among other matric categories. This fallacy somehow was impeding females from getting better and professional jobs.

Limpopo improved its matric yearly ranking as it moved from the 9<sup>th</sup> position to 7<sup>th</sup> position in 2023. Limpopo must continue with the interventions and strategies used to improve the pass rates. One main reason individuals provided for not attending educational institutions was poor performance. This means that poor performance is keeping a sizeable amount of individuals out of educational institutions therefore thorough assessment of this challenge has to be done and to further assess if it's a learner problem, family related problem or a teaching problem. More career awareness session are required to equip learners pre-matric on the skills required by the job market, this will eliminate skill mis-match for the market requirements.

## **Chapter 6: Basic services**

### **6.1 Introduction**

Basic service provision depends on the economic performance or growth of the country. The funding required for provision of these services are normally government collected revenue. If less revenue is collected, then less budget becomes available for spending on these services by the government. This is prevalent in developing countries such as South Africa, who aims to eradicate inequality over time. A forever growing population negatively impacts on the ability to close the gaps and provide quality services as the demand continues to increase. Continuous service delivery gaps hinder government's ability to reduce poverty and poor living conditions in communities.

This chapter will focus on household infrastructure, services provided by the state such as access to water and electricity *inter alia*, state of roads and others.

### **6.2 Household infrastructure**

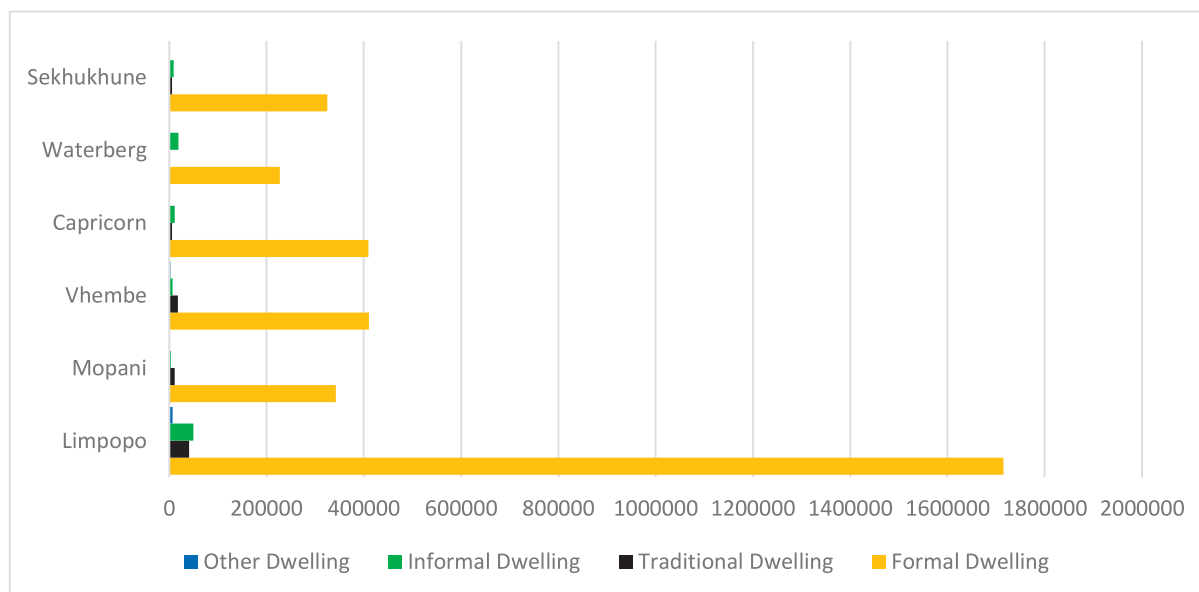
Government has over time built houses for the poor since the poor are unable to afford the construction of proper housing structures for themselves given their economic status, and are dependent on government to improve their quality of life.

Household infrastructure takes into account types of residential areas as well as how and where these dwellings are erected.

#### **6.2.1 Access to dwelling**

Limpopo is one province which still comprises of a large number of impoverished households and individuals. Limpopo government has overtime realised the need to improve the dwellings for impoverished households by allocating a significant portion of spending to provide better housing.

**Figure 32 : Limpopo and Districts dwelling type**



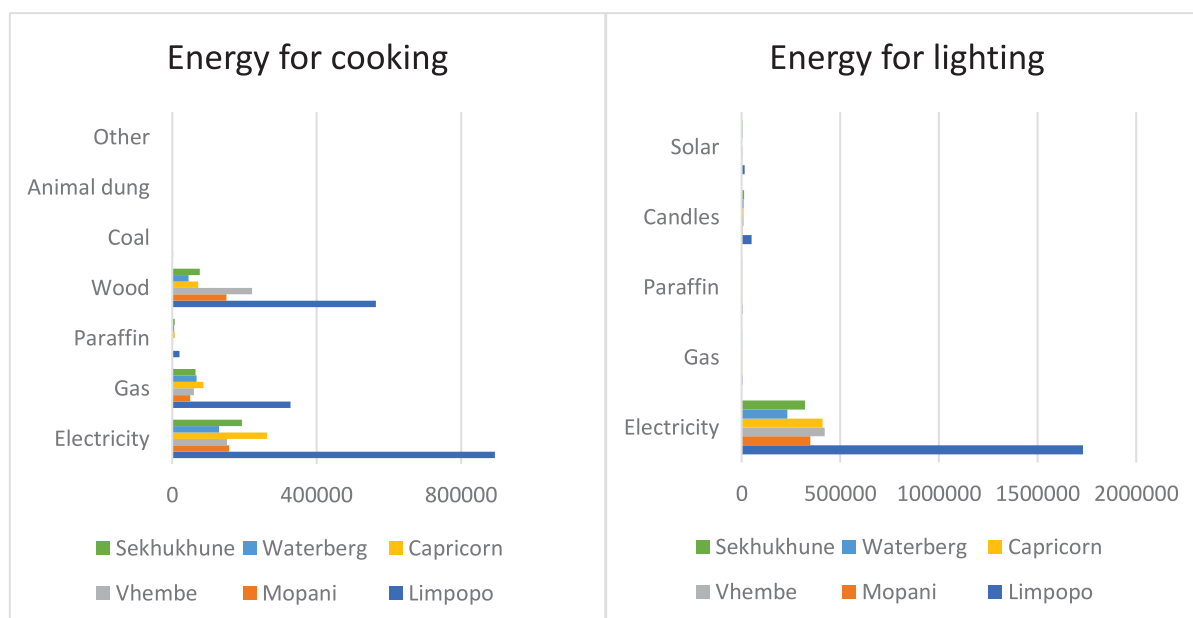
Source: StatsSA, Census, 2022

In Limpopo 1.7 million people (94.7 percent) live in a formal dwelling, followed by informal dwellings, traditional dwellings and other dwelling types. This pattern is also reflected in our districts whereby extreme high number of households are living in formal dwellings, In Vhembe and Mopani, disregarding the formal dwellings, there are more households living in traditional dwellings than informal dwellings whilst the remaining districts there are more households living in informal dwellings, which may be due to predominant mining activities in those districts.

### 6.2.2 Sources of energy

The sources of energy utilised by households differs per district Some of the driving factors for this may include the location, income status and age factors of the household residents.

**Figure 33 : Limpopo source of energy for cooking and for lighting**

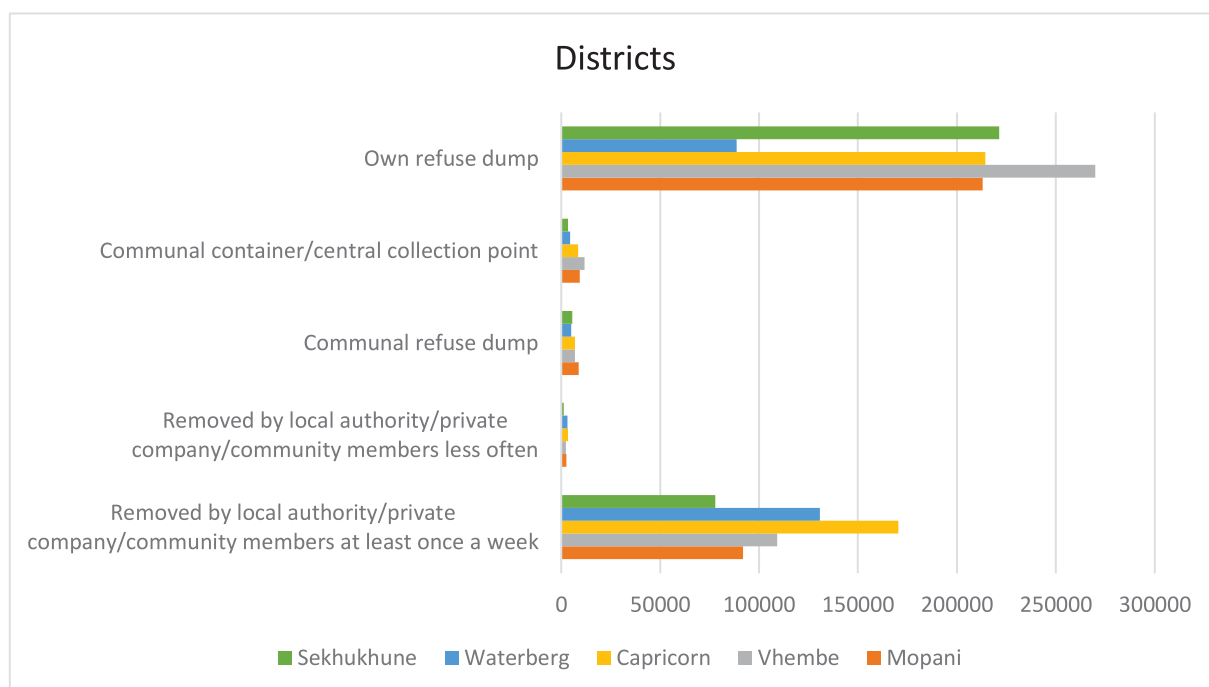
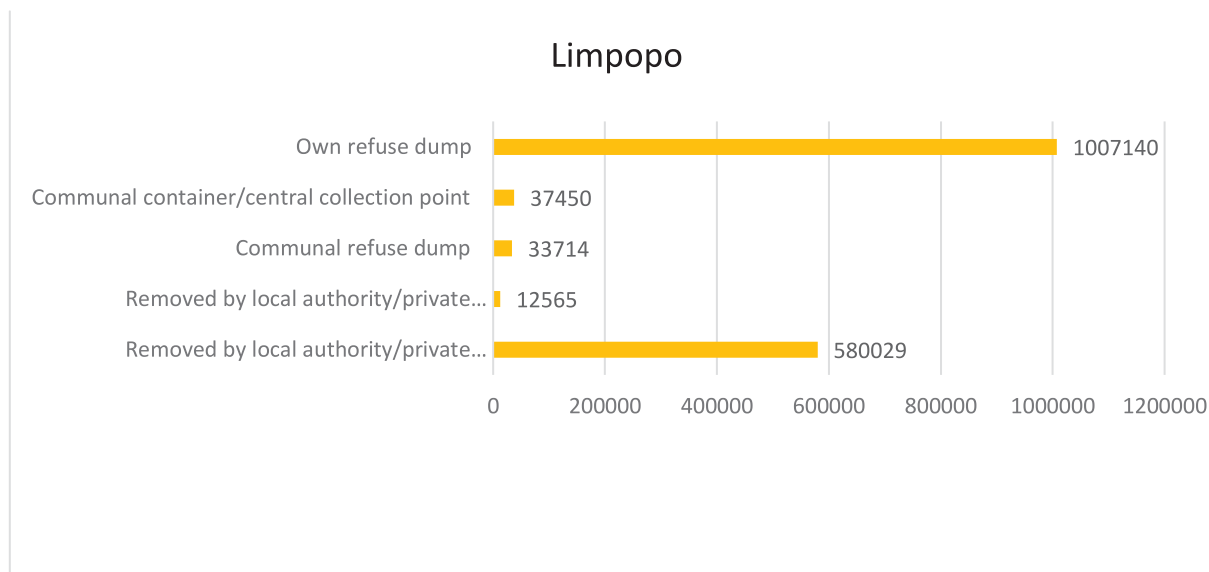


Source: StatsSA, Census, 2022

Given the convenience of electricity use, most households use electricity on a daily basis. Factors such as load shedding and cost of electricity shifts some people to utilize other methods for either cooking or lighting. It is worthy to note that government is still forging ahead with provision of electricity to households not yet electrified. In terms of energy for cooking, electricity users are almost equal to non-electricity users (gas and wood) for reasons such as cost and availability. However, with regard to the source of energy for lighting, electricity is the most used source as it is used by 95.5 percent of households Limpopo. Furthermore, people can also plan in line with the load shedding schedules to conduct their day to day activities.

### 6.2.3 Refuse disposal

Figure 34 : Limpopo refuse disposal methods



Source: StatsSA, Census, 2022.

In Limpopo, about 1.0 million households dispose refuse through own refuse dumps followed by 580 thousand households whose refuse is removed by a local authority at least once a week. The issue could be the type of residence and the payment effected for the type of refuse disposal since in urban areas it is more likely that households refuse removal is done by local municipality at least once a week. 37 thousand households dump their refuse at a communal container or collection point and 33

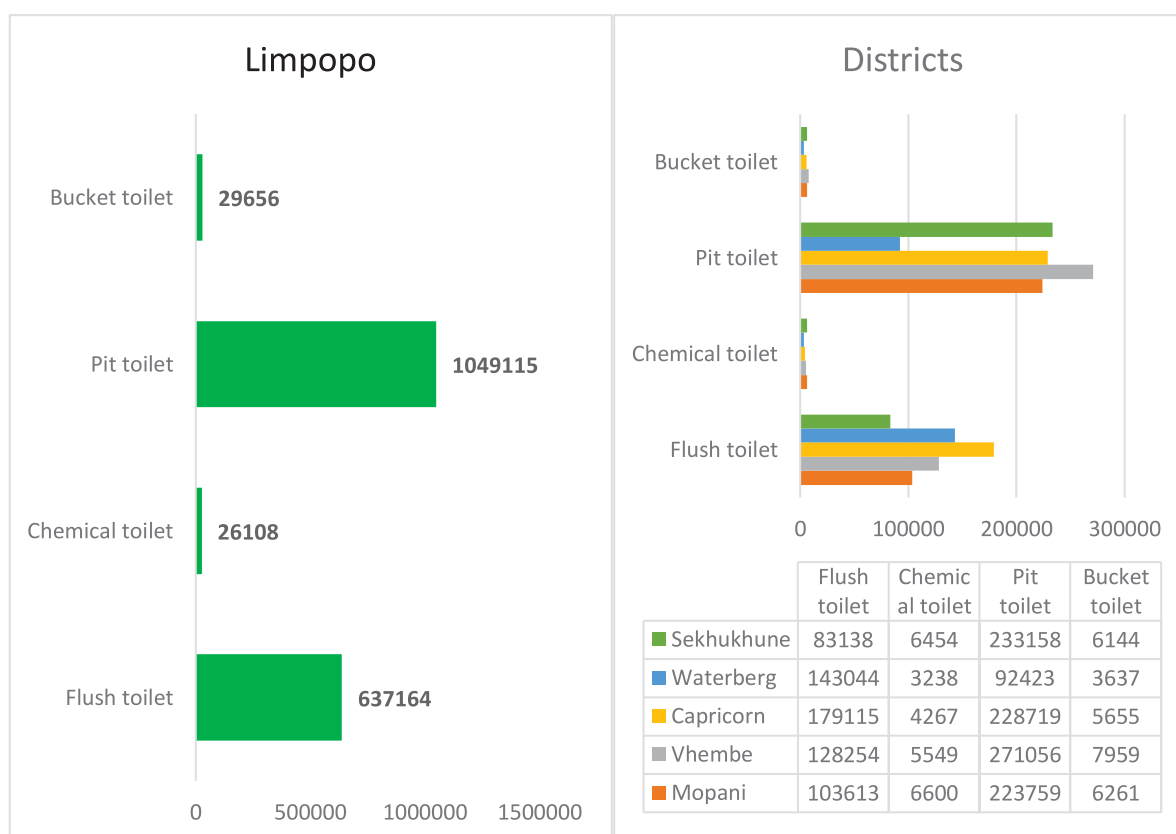


thousand households dump their refuse at a communal refuse dump All districts follow the same pattern whereby most refuse is dumped at own refuse dump, followed by removal by local authority at least once a week. Waterberg district is the only exception where a larger number of households refuse is removed by the local authority at least once a week and fewer households use own refuse dump sites in the district.

### 6.2.4 Access to toilet facility

In South Africa, there are several types of toilet facilities utilised. There are four recognised toilet facilities, namely flush toilet, chemical toilet, pit toilet and bucket toilet. As part of achieving developmental goals, government aims to eliminate the use of the latter three types of toilets and improve in the number of households using flush toilets.

**Figure 35 : Access to toilet facility**



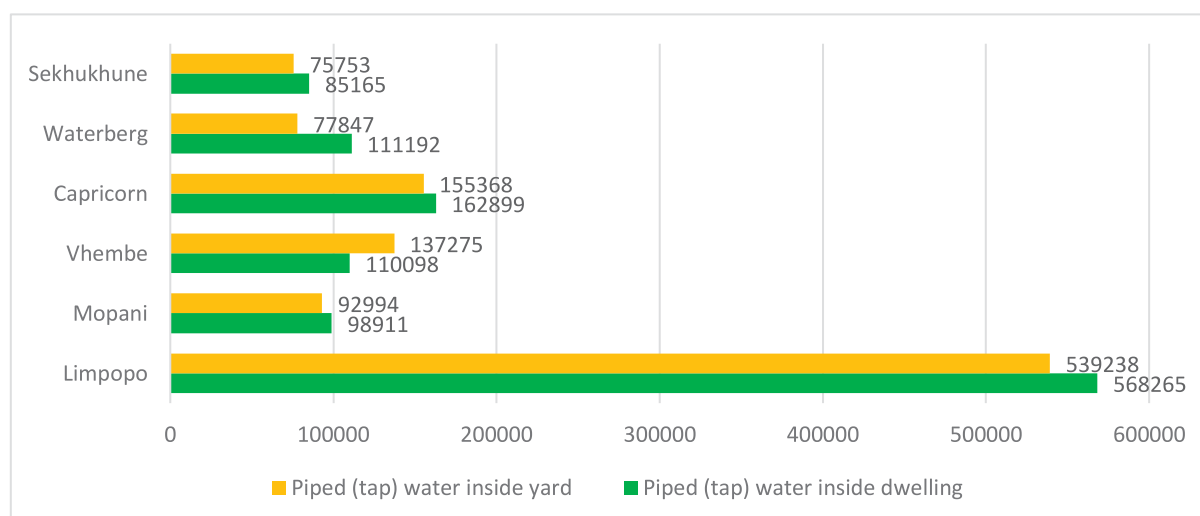
Source: StatsSA, Census, 2022

About a one million households (58 percent) still use pit toilets, whilst only 637 thousand households (20 percent) use flush toilets. The use of pit, chemical, bucket toilets are not safe or acceptable hence the need to move to flush toilets. The move to flush toilets is dependent on water resources being available. In all Limpopo districts, except Waterberg, more households are using pit toilets as compared to flush toilets. Waterberg has 37 percent of households using pit toilet and 57.5 percent of households using flush toilets, which is commendable, however still a lot needs to be done to eliminate the other types of toilets. Vhembe district has the highest number of households using bucket toilets, at almost 8 thousand households, whilst Waterberg district has the lowest number of households using bucket toilets at 3.6 thousand households, noting that Waterberg is also the district with the lowest population in Limpopo.

### 6.2.5 Access to pipe water

Proper access to water remains key to daily livelihoods and survival and such water should be of good quality. In a rural set-up with rivers and wells, serving as temporary access points for water, water sourced there are used for other reasons apart from drinking and may create health hazards. Limpopo government has consistently and persistently focussed on providing its residents with quality water sources.

**Figure 36 : Limpopo and district access to water**



Source: StatsSA, Census, 2023

In terms of access to pipe water in Limpopo, most households have access to piped water inside their dwelling followed by access to water inside the yard. There is still a number of households who access water at a communal water collection points. About 372 thousand households have no access to piped (tap) water. At a district level, Sekhukhune has around 115 thousand households with no access to piped water followed by Vhembe with 93 thousand households. Capricorn has the highest number of both piped water inside dwelling and piped water inside yard at 162 thousand and 155 thousand households, respectively. Waterberg has the lowest number of households (31 thousand) accessing piped water on community stand compared to Vhembe having the highest number of 96 thousand households accessing piped water on community stands.

### **6.3 Conclusion and recommendations**

There is clearly existing intension to better the lives of South Africans, however constrained by the fiscus and to some extent, technical capacity. Developing countries such as South Africa, have backlogs in addressing some of the challenges experienced by its citizens. Poor economic growth contributes negatively to the ability of government to tackle the service delivery challenges. There is an increasing number of households receiving basic services, such as access to water and electricity. In terms of refuse removal, most households in Limpopo and the respective districts still dump their own refuse and there is a need to improve the collection of refuse by local authorities. To a certain extent, contributing to this is the cost associated, since areas/households where services are not paid for cannot receive some of the “paid services” therefore will resort to other alternatives. Service delivery is dependent upon available allocatable budget and technical capacity to deliver.

Government should assess and target developing residential areas with the potential of paying for services and such revenue may be channeled to other areas of need to improve the quality of live for all. It is significant for Limpopo government to come up with new and effective ways of improving revenue collection without jeopardizing the poor communities.

## Chapter 7: SOCIAL SERVICES

### 7.1 Introduction

Provision of social services to the needy does not become an overnight solution, as citizens fall within different economic classes which can simply be regarded as the affording and the non-affording. In a nutshell, some citizens are able to fund the required social services whilst others are not, thereby the need for government to close the gap. This chapter on social services covers analysis on health, crime, security and social grants, including the COVID Social Relief Fund (SRF).

A healthy society is a milestone towards a country's development goals. Therefore, government has the duty to contribute towards attainment of such milestones such as in the case of the COVID 19 pandemic, the government could not just ignore the negative effect of the pandemic on its citizens but had to provide preventative measures such as PPE's and vaccines.

### 7.2 Health

Overtime especially post-attainment of democracy, there was a goal to ensure and enable accessibility to health care services for all citizens in the country and the province.

#### 7.2.1 Self-reported health status of individuals

**Table 11 : SA self-reported health status of individuals by sex and population group, 2022**

	Male	Female	Black African	Coloured	Indian/Asian	White	South Africa
	Sex		Population group				
Excellent	30,2	28.6	28.2	41.9	21.6	30.5	29.4
Very good	29.6	28.1	30.2	17.4	29.4	26.3	28.8
Good	34.9	36.1	35.7	32.5	41.7	34.4	35.5
Fair	4.2	5.6	4.5	6.4	6.5	7.1	4.9
Poor	1.2	1.6	1.3	1.7	0.8	1.7	1.4

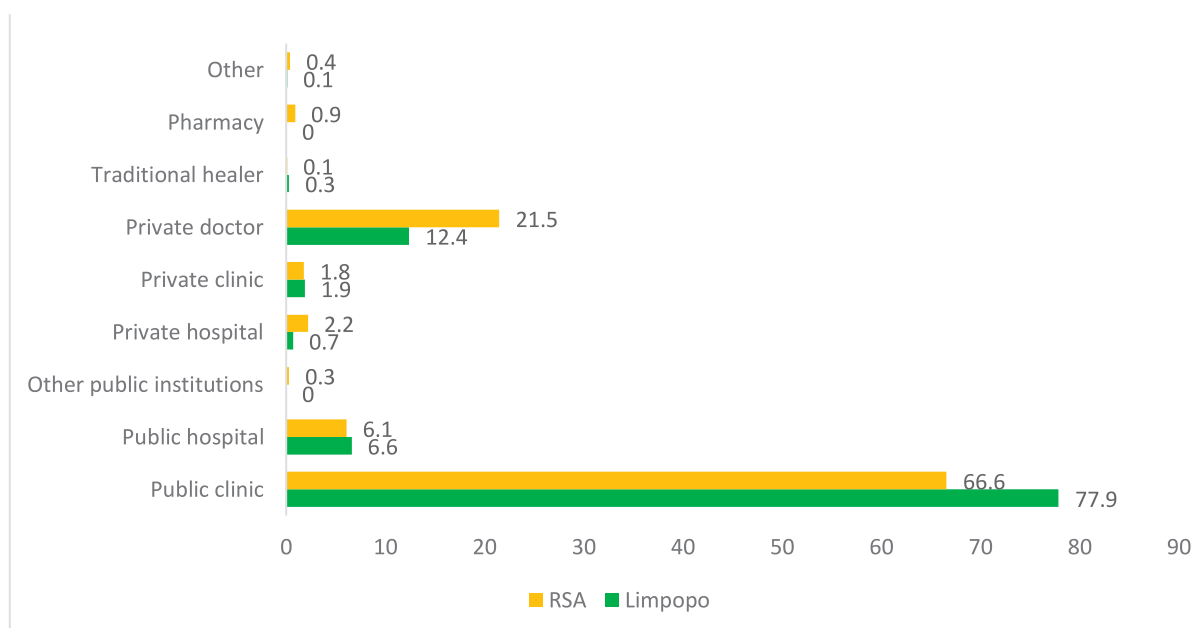
Source: StatsSA, GHS, 2022

In this section, selected individuals made self-assessment on their health status based on their own definition of health. Results show that 93.7 percent of South Africans perceived their health to be good, very good or excellent. A slightly higher percentage of males (30.2 %) than females (28.6 %) rated their health as excellent. In terms of population group, the percentage of persons with excellent health was the highest amongst coloureds (41.9 %) and lowest for Indian/Asians (21.6 %).

### 7.2.2 Consultation place

In most cases consultations take place in close proximity to the household, however affordability and nature of disease or injury also plays a role in determining which facility to consult. The distribution of public health facilities is higher than private ones, especially in rural areas.

#### Type of health-care facility consulted first by households when members fall ill or get injured, 2022

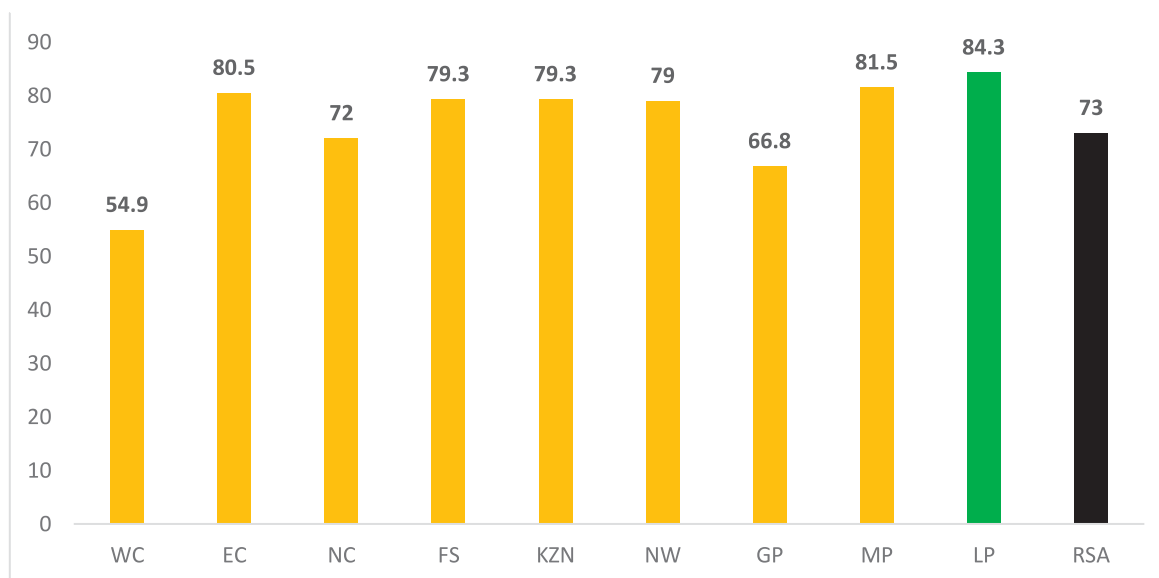


Source: StatsSA, GHS, 2022

Nationally, 73.0 percent of households said that they would first go to public clinics, hospitals or other public institutions, while 25.5 percent of households said that they would first consult private doctors, private clinics or hospitals and only 1.4 percent

would consult traditional healers, pharmacy and other places. In Limpopo 84.5 percent of households said they would first visit public clinics, hospitals or other public institutions in case of sickness or injury.

**Figure 37 : Households for which the usual place of consultation is a public facility per province**



Source: StatsSA, GHS,2022

There is a sizeable percentage difference of households whose first place of consultation is a public facility. Limpopo province recorded the highest percentage (84.3%) of households whose first place of consultation is a public facility. The province with the lowest percentage of households whose first place of consultation is a public facility is the Western Cape. It is noteworthy that households with better incomes would prefer to consult private facilities for efficiency purposes. In comparing with the national percentage of 73 percent, it is only Gauteng, Northern Cape and Western Cape that have a lower percentage than RSA. This implies that there is still a huge need for government to spend on health services in the rural provinces as compared to the urban provinces, as households in the urban provinces use private facilities which they pay for.

### 7.2.3 Medical aid coverage

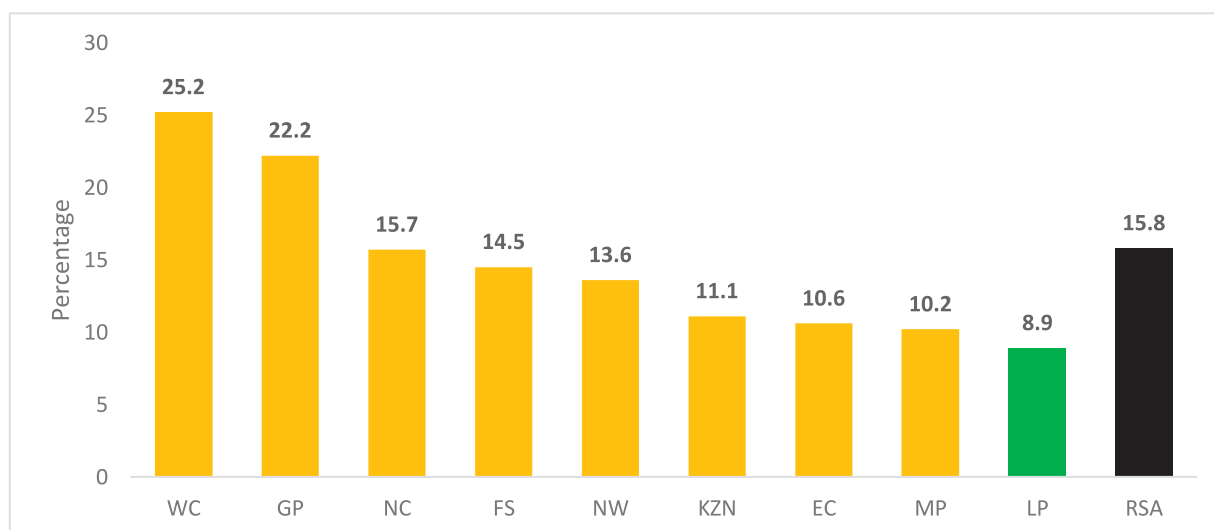
**Figure 38 : The household income amongst others determines affordability of medical aid.**

Indicator	Year (Numbers in thousands)										
	2002	2004	2008	2010	2012	2014	2016	2018	2020	2021	2022
Number covered by a medical aid scheme	7 284	7 268	8 057	8 967	9 157	9 470	9 447	9 380	9 017	9 706	9 699
Number not covered by a medical aid scheme	38 445	39 666	41 266	41 606	42 819	43 946	45 646	47 628	50 328	50 629	51 590
<b>Subtotal</b>	<b>45 728</b>	<b>46 934</b>	<b>49 322</b>	<b>50 573</b>	<b>51 976</b>	<b>53 416</b>	<b>55 093</b>	<b>57 008</b>	<b>59 346</b>	<b>60 336</b>	<b>61 289</b>
<b>Percentage covered by a medical aid scheme</b>	<b>15,9</b>	<b>15,5</b>	<b>16,3</b>	<b>17,7</b>	<b>17,6</b>	<b>17,7</b>	<b>17,1</b>	<b>16,4</b>	<b>15,2</b>	<b>16,1</b>	<b>15,8</b>
Do not know	140	58	101	23	58	46	53	42	63	100	95
Unspecified	53	29	56	254	291	451	474	408	27	47	-
<b>Total population</b>	<b>45 868</b>	<b>46 992</b>	<b>49 423</b>	<b>50 596</b>	<b>52 034</b>	<b>53 461</b>	<b>55 146</b>	<b>57 050</b>	<b>59 409</b>	<b>60 436</b>	<b>61 384</b>

Source: StatsSA, GHS, 2022

Since 2004, as stipulated above, there has been an average increase of persons covered by medical aid until 2016 where there were 9.4 million covered by medical aid, after which it started to decrease to 9.3 million in 2018, and further to 9 million in 2020 then started to increase again to 9.7 million in 2021 and 2022. Medical aid coverage percentage increased from 15.9 percent in 2002 to 17.7 percent in 2014 and then decreasing steadily to 15.8 percent in 2022.

**Figure 39 : Individuals who are members of medical aid schemes per province**

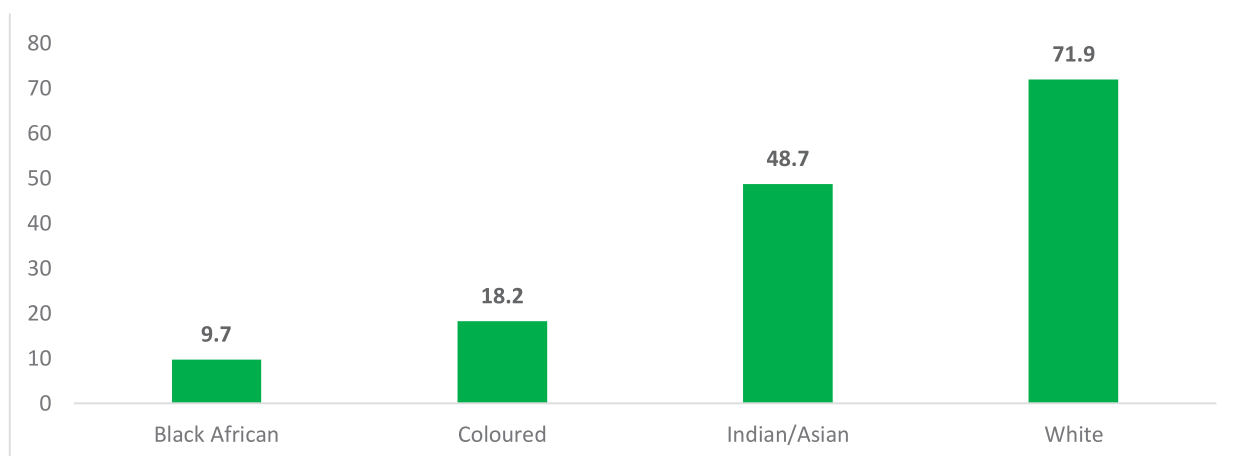


Source: StatsSA, GHS, 2022



To a higher degree, there is an inverse relationship between those covered in medical aid and those whose first place of consultation is a public facility. Limpopo province conversely has a lower percentage of those being on medical aid (8.9%) but had the highest number of households whose first place of consultation is a public facility. On one hand, unavailability of sufficient public health facilities at disposal can lead to households resorting to private facilities which could subsequently lead them to affiliating to medical aids. Again, poor and non-efficient services at public services facilities could also be contributing to members affiliating to medical aid schemes. Intuitively, household depending on government grants, cannot be on medical aid.

**Figure 40 : Individuals who are members of medical aid schemes by population group**



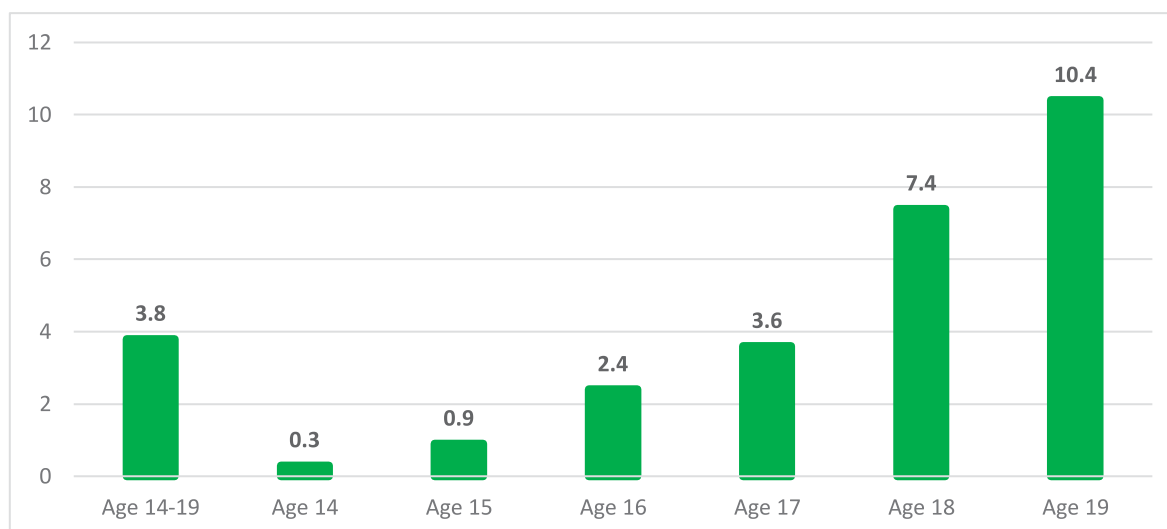
Source: StatsSA, GHS, 2022

In South Africa, during 2022 there was 71.9 percent of whites who are covered by medical aid and only 9.7 percent of Black Africans who are covered by medical aid. On the other population groups, 48.7 percent of Indian/Asians were covered in medical aid whilst 18.2 percent of the Coloured population has medical aid coverage.

### 7.3 Teenage pregnancy

Social circumstances and environment plays a significant role in curbing the teenage pregnancy phenomenon. It is arguable that teenage girls who fall pregnant, do so against their will basically due to either lack of guidance and lack of knowledge about outcomes of engaging in sexual activities.

**Figure 41 : SA Teenage pregnancy (%)**



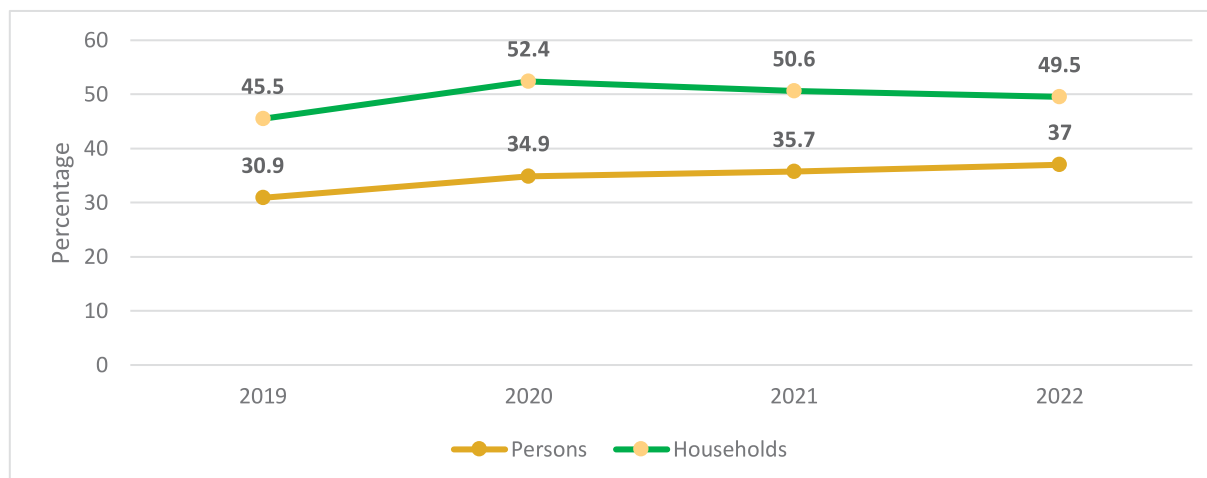
Source: StatsSA, GHS, 2023

About 3.8 percent of females in the age group 14–19 years were at different stages of pregnancy during the 12 months before the survey. The prevalence of pregnancy increased with age, rising from 0.3 percent for females aged 14 years to 10.4 percent for females aged 19 years. Legal age of having sex seems not to be adhered to by these teenagers, although some engage in these sexual activities at a young age due to cultural practices. Societies should report these activities by teenagers whenever they become suspicious or have full awareness because teenage pregnancy can lead to children dropping out of school which may also have a negative effect on their future prospects.

#### **7.4 Social security**

In making ends meet on a day to day basis, Government continues to play an enormous role for people and households with very little income through the provision of social grants.

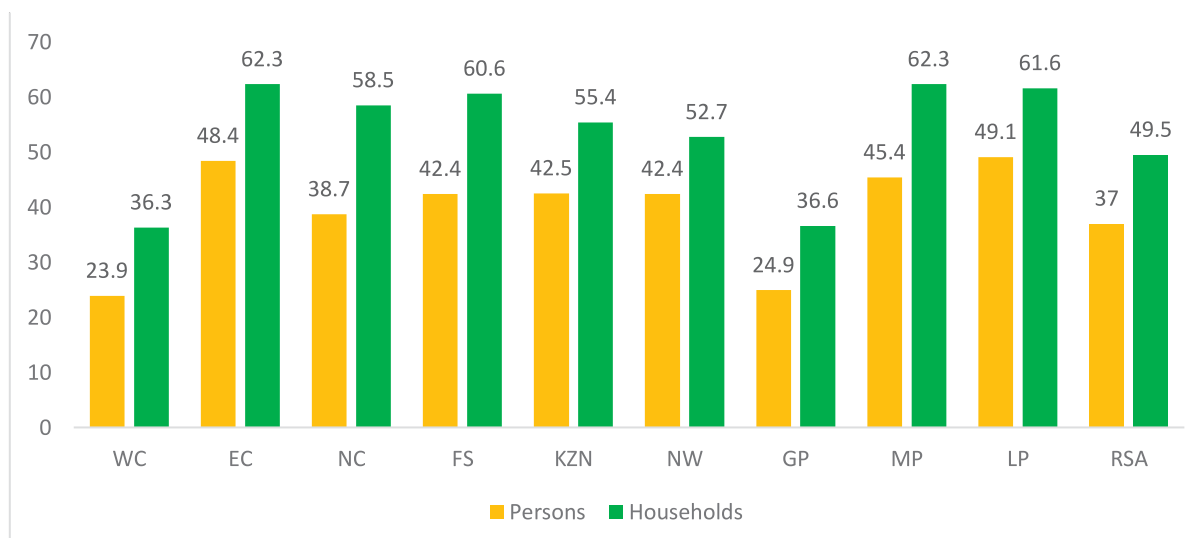
**Figure 42 : Households and individuals benefitted from social grants, 2019–2022**



Source: StatsSA, GHS, 2022

The percentage of individuals that benefitted from social grants steadily increased from 12.8 percent in 2003 to approximately 31.0 percent between 2017 and 2019 before increasing sharply to 37.0 percent in 2022. This growth was tracked closely by the percentage of households that received at least one social grant (growing 30.8 percent in 2003 to 45.5 percent in 2019). The percentage of households that received at least one grant increased to a high of 52.4 percent in 2020 (during the first year of Covid-19 when the SRD grant was introduced) before declining to 49.5 percent in 2022.

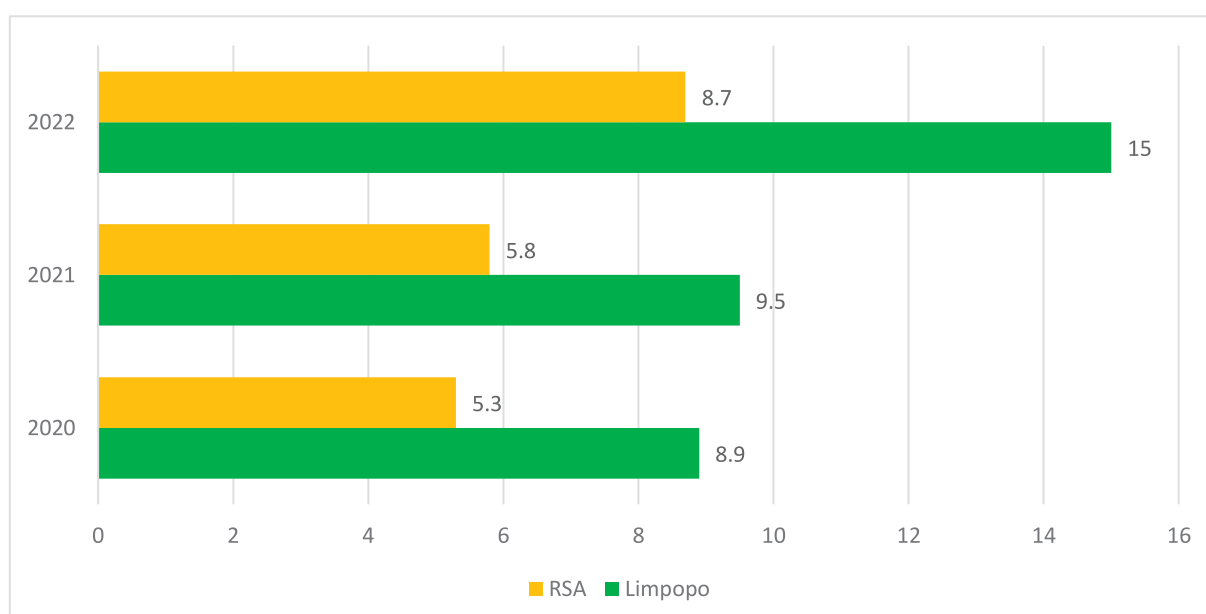
**Figure 43 : Individuals and households benefiting from social grants per province**



StatsSA: GHS 2023

A summary of the country and provincial distribution of individuals and households that benefited from social grants in 2022. Grant beneficiaries were most common in Limpopo (49.1%) and Eastern Cape (48.4%) and least widespread in Western Cape (23.9%) and Gauteng (24.9%). Households that received at least one type of social grant were mostly in Mpumalanga and Eastern Cape (both 62.3%), and Limpopo (61.6%), and least in Western Cape (36.3%) and Gauteng (36.6%) respectively.

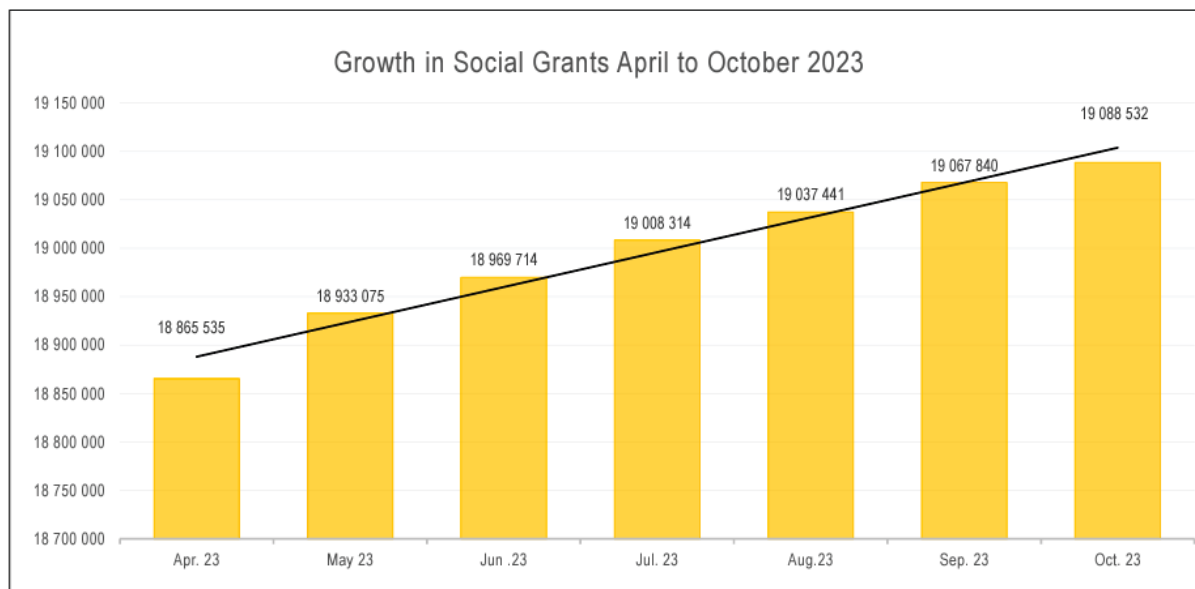
**Figure 44 :Individuals aged 18–59 years that benefitted from the special Covid-19 social relief of distress grant**



Source: StatsSA, GHS, 2022

The Special Covid-19 Social Relief of Distress grant of R350 per month for a qualifying individual was introduced in 2020 in an attempt to offset the impact of Covid-19. Since then, the percentage of individuals in the age group 18-59 years who received the grant has increased from 5.3 percent of the population in 2020 to 8.7 percent in 2022. The highest uptake was observed in Limpopo at 15 percent during 2022. Observantly, this age group of 18-59 is within age range of labour force participation and deservingly were supposed to be within the workforce therefore reflects on the non-absorbing labour market in Limpopo as well as the country at large.

**Figure 45 : Growth in social grants April to October 2023**



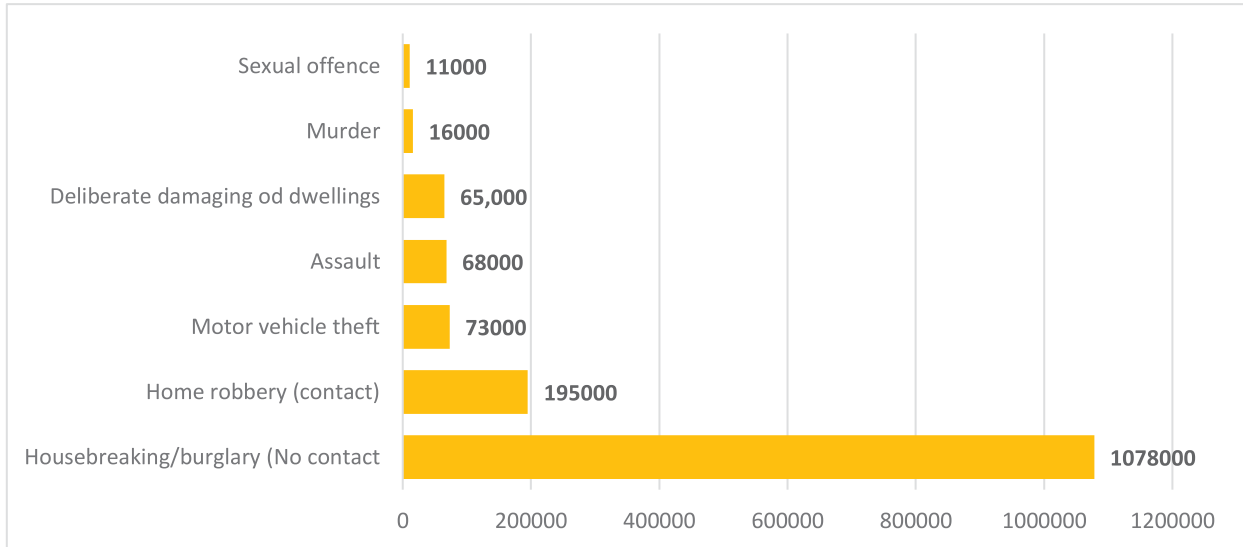
Source: SASSA, 2023

It is worrisome to note that since between April to October 2023, there has been an increase in number of social grants recipients. The numbers increased from 18.865 million to 19.088 million, thus posing a financial risk to the fiscus as this may be unsustainable in the future.

## 7.5 Crime

Crime has setbacks on normal day living and economically on businesses operation and investment. Criminal activities happen on daily basis on various fronts within households and outside, with some of these criminal incidences reported whilst other go unreported. A developing country, such as South Africa, needs to reduce the crime rate to attract investment.

**Figure 46 : Number of households that experienced specific type of crime**



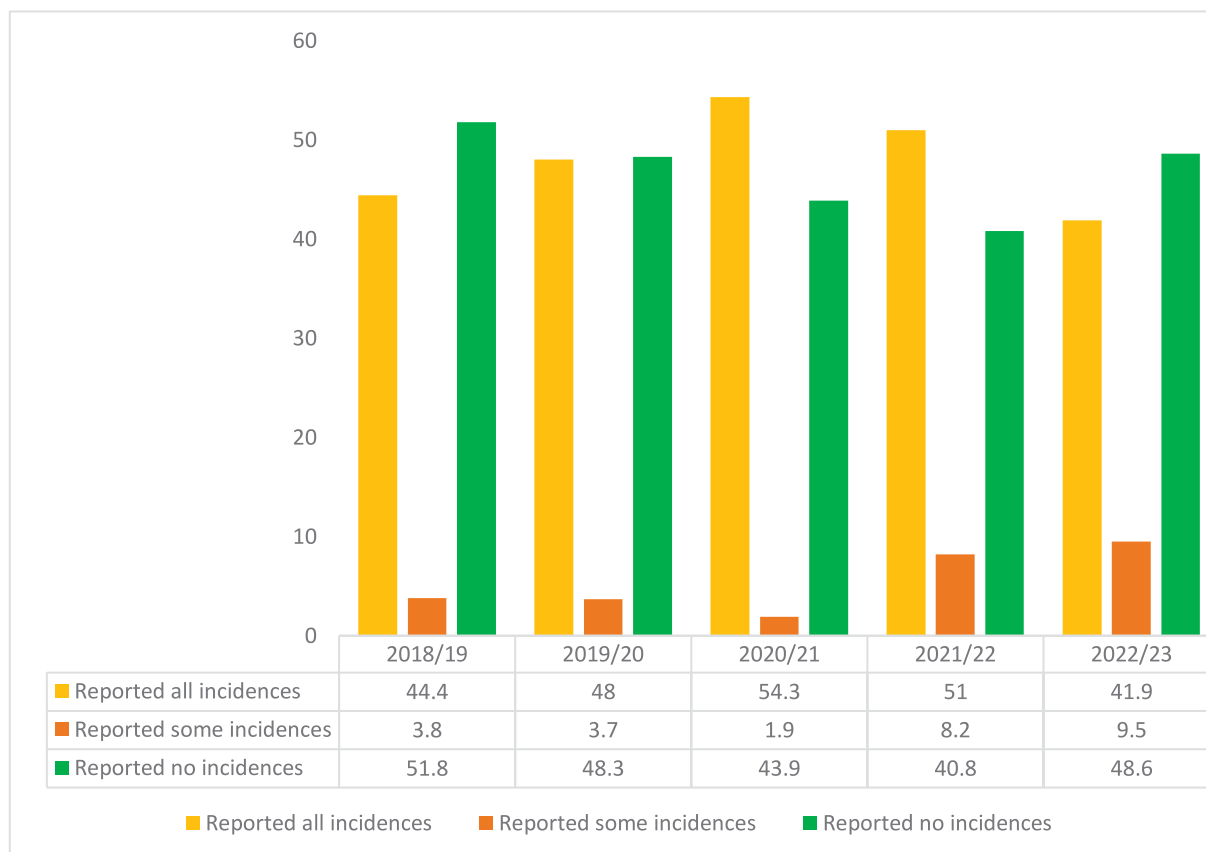
Source: StatsSA, Governance, public safety and justice, 2023

In 2022/23, an estimated 1.6 million incidences of housebreaking occurred, affecting 1.1 million households in South Africa. The number of affected households represents 5.7 percent of all households in the country. About 51.0 percent of households that experienced housebreaking reported some or all incidences to the police. An estimated 238 000 incidences of home robberies occurred, affecting 195 000 households in 2022/23. The number of affected households represents 1.0 percent of all households in the country. About 57.7 percent of households that experienced home robbery reported some or all incidences to the police. Sexual offence and murder crimes are relatively small amounting to 11 thousand and 16 thousand comprising of 0.1 percentage, respectively. Home robbery is also high as it was experienced by 19.5 thousand households (13%).

Accordingly, the Governance, Public Safety, and Justice Survey (GPSJS) 2022/23, the percentage of adults aged 16 years and older who felt safe walking alone in their neighbourhoods during the day decreased from 81.3 percent in 2021/22 to 80.8 percent in 2022/23. About 81 percent of the population felt safe walking alone in their neighbourhood during the day while 37 percent felt safe walking alone in their neighbourhood during the night. About 30 percent indicated that they have done something to protect themselves. Of those aged 16 years and older, 79.7 percent felt safer after taking measures to protect themselves against crime. Housebreaking accounts for about 72 percent of the household crimes, followed by home robbery

(13%), theft of motor vehicle (5%), assault (4%), deliberate damage of property (4%), sexual offences (1%), and murder (1%).

**Figure 47 : Reporting and non-reporting of crime incidences**



Source: StatsSA, GHS, 2022

Reporting of crime is fundamental to reduction of criminal activities if justice takes its course. Environment for reporting of these incidence ought to be conducive and friendly to the victimised party. During this period of reference, the percentage of incidences reported does not vary much with the incidences unreported. In 2018/19 44.4 percent of incidences were reported whilst 51.8 percent of incidences were not reported. Almost the similar percentage though less were both reported and non-reported incidences in 2022/23 although in this period there is an increase of some incidences reported.

## 7.6 Conclusion and recommendations

Emanating from the survey on self-reporting on health status, majority of coloureds perceived their status of health as excellent and majority of Asians/Indians as good. In addition, more males regarded their health as excellent than females. Crime is still prevalent in communities amidst the effort by law enforcement agencies. The most prevalent crime encountered being housebreaking/burglary. Teenage pregnancy is still occurring on under age females and might be going unreported and it ought to be assessed if it is reported or not.

The majority of the nation visit public health facilities as a first place of consultation with Limpopo province being the highest in this regard. Public facilities often charge no fees for a patient to get assisted and those affording prefer private health facilities. Blacks are the biggest population group utilizing public health facilities and moreover, majority are not covered by medical aid. On the other and majority of blacks are recipients of social grants. There is a need to come up with policy intervention aimed at assisting black Africans out of poverty and addressing income inequality.





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