

FOREWORD

This Socio Economic Review and Outlook is presented in a difficult economic situation globally, nationally and provincially. The International Monetary Fund (IMF) expects world economic growth to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent for 2021. Trade policy uncertainty, geopolitical tensions, and idiosyncratic stress in key emerging market economies continue to weigh on global economic activity. The expected improvement in 2020 is based on the fact that the no Brexit trade deal has been averted and the progress in trade negotiations between America and China.

In terms of the national economy, economic growth is revised downward from 1 percent to 0.5 percent for 2019. This is in contrast with the NDP target of an average growth trajectory of 5 percent. Downward risks to the national recovery include load shedding, the efficiency of our ports and the current skills challenge. However, growth propellers such as investment in infrastructure, supply chain reforms, support towards labour intensive sectors such as agriculture, tourism, creative arts are anticipated to turn the economic tide around.

Development indicators in the province have shown notable improvement over the years, which is indicative of a number of government programmes that are aimed at improving the material conditions of the people through the expansion in the provision of basic services, rural development, creation of jobs and eradicating poverty through SMME development. Notwithstanding, Limpopo unemployment rate has risen to 23.1 percent in the third quarter of 2019 from a low of 16.5 percent in the fourth quarter of 2018. The province remains resilient to combat the scourge of unemployment, poverty and income inequality in the province by expanding the industrial base of the province through the Special Economic Zones (SEZs) which will create the much needed jobs for the citizens in the province, particularly the youth and women.

The risk in accelerated development of the province is the sluggish economic growth that compromises national revenue collection. The revenue collected by South African Receiver of Revenue (SARS) is expected to be 6 percent lower than expected, leading

to an average budget deficit of 6.2 percent over the next three financial years. The limited scope of expanding the tax revenue or the tax base necessitate provinces and municipalities to manage their financial plans circumspectly without compromising service delivery. Though resources are finite but the efficient allocation of the same can yield maximum economic and social benefits.



PRATT GC CA(SA)
HEAD OF DEPARTMENT
LIMPOPO PROVINCIAL TREASURY

Table of Contents

FOREWORD	ii
INTRODUCTION.....	1
CHAPTER 1: ECONOMIC OVERVIEW	2
1.1. World Economic growth	2
1.2. World investment	3
1.3. World Fiscal Outlook.....	4
1.4. South African Economic Outlook.....	5
1.4.1. Price Inflation.....	7
1.5. Limpopo Economic Outlook	8
1.5.1. Limpopo Economic Growth.....	8
1.6. Conclusion	10
CHAPTER 2: LABOUR MARKET	11
2.1. Employment.....	11
2.1.1. Employment by sector	11
2.1.2. Employment by gender.....	13
2.2. Unemployment.....	13
2.3. Not economically active	16
2.4. Labour absorption and participation	16
2.1. Youth labour dynamics.....	17
2.1.1. Youth working are population	17
2.1.2. Youth employment.....	17
2.1.3. Youth discouraged work seekers.....	18
2.2. Conclusion	19
CHAPTER 3: DEMOGRAPHIC PROFILE.....	20
3.1. South African population	20
3.2. Limpopo population.....	21
3.3. Limpopo district population shares.....	23
3.4. Conclusion and recommendations	24
CHAPTER 4: DEVELOPMENT INDICATORS.....	25
4.1. Income inequality	25
4.2. Human Development Index (HDI)	27
4.3. Poverty.....	28

4.3.1. The Level of Poverty in Limpopo	28
4.4. Conclusion and recommendations	30
CHAPTER 5: SOCIAL SERVICES.....	31
5.1. Health.....	31
5.1.1. Place of consultation	31
5.1.2. Medical Aid Coverage.....	33
5.1.3. Life expectancy.....	34
5.2. Social development services.....	35
5.2.1. Disability	35
5.2.2. Social grant beneficiaries.....	35
5.3. Education	38
5.3.1. Progress in terms of education	38
5.3.2. Limpopo highest level of education aged 20 and above	38
5.3.3. Quality of the matric pass	39
5.4. Conclusion and recommendations	40
CHAPTER 6: HOUSEHOLD INFRASTRUCTURE.....	42
6.1. Housing.....	42
6.2. Water	44
6.3. Electricity.....	48
6.4. Sanitation	51
6.5. Refuse removal	53
6.6. Conclusion	55

Table of Tables

Table 1 Gross domestic product, constant prices Percent change	3
Table 2: Industry value added and GDP Constant 2010 prices, seasonally adjusted	6
Table 3: Real gross domestic expenditure Y-Y % change at seasonally adjusted	6
Table 4: International commodity prices.....	9
Table 5: GDP Average annual growth (constant 2010 prices) by districts.....	9
Table 6: Labour Force Characteristics by Age (Youth).....	18
Table 7: Limpopo 2017/18 and 2018/19 social welfare services	37
Table 8: Throughput rate in the different districts	40

Table of Figures

Figure 1: Investment as Percentage of GDP	3
Figure 2: Government total expenditure and revenue and General government net lending/borrowing	4
Figure 3: SA sector size and sector growth (2010 to 2018).....	5
Figure 4: SA total consumer index	7
Figure 5: GDP Average growth (constant 2010 prices).....	8
Figure 6: Limpopo employment numbers by sector	12
Figure 7: Limpopo employment numbers by sector and by district	12
Figure 8: SA employment by occupation and gender.....	13
Figure 9: Limpopo Unemployment Rate - official definition and discouraged workers	14
Figure 10: Unemployment Rate - official definition by districts	15
Figure 11: Limpopo unemployment rate by gender.....	15
Figure 12: Number of not economically active and discouraged job seekers.....	16
Figure 13: Limpopo labour absorption and participation.....	17
Figure 14: South African population growth and projections	20
Figure 15: SA Population Structure	21
Figure 16: Provincial population in SA.....	21
Figure 17: Limpopo population and population growth rate.....	22
Figure 18: Limpopo population estimates by age and sex, 2018	23
Figure 19: Limpopo district population shares	24
Figure 20: The Gini coefficient SA and Limpopo	26
Figure 21: Gini coefficient on district level	26
Figure 22: HDI in SA and Limpopo.....	27
Figure 23: Limpopo Districts HDI	28
Figure 24: People below the lower poverty line (StatsSA defined).....	29
Figure 25: Share below the lower poverty line (StatsSA defined)	29
Figure 26: Percentage distribution of the type of healthcare facilities consulted first by households when members fall ill	31
Figure 27: Limpopo level of satisfaction of public and private healthcare facilities ...	32
Figure 28: Medical aid coverage by population	33
Figure 29: Medical aid coverage by population	34

Figure 30: Life expectancy at birth without HIV/AIDS	34
Figure 31: Individuals aged 5 years and older with disabilities	35
Figure 32: Percentage of individuals and households who benefited from social grants 2018	36
Figure 33: SA 2019 Matric pass rate	38
Figure 34 Limpopo highest level of education aged 20+:	39
Figure 35: households by type of dwelling unit and by districts	43
Figure 36: Share of household occupying formal dwellings	43
Figure 37: Formal dwelling backlog - number of households not living in a formal dwelling and by districts	44
Figure 38: Dam levels by provinces as at 03 February 2020	45
Figure 39: Number of households by level of access to Water	46
Figure 40: Water access by type and by district	47
Figure 41: Water backlog - number of households below RDP-level	47
Figure 42: Water backlog - number of households below RDP-level by district	48
Figure 43: Eskom power stations	49
Figure 44: Number of households by electricity usage reached	50
Figure 45: Number of households with no electrical connection	50
Figure 46: Number of households with no electrical connection	51
Figure 47: Number of households by type of Toilet	52
Figure 48: Share of households with Hygienic toilets (%)	52
Figure 49: Number of households by access to refuse removal	54
Figure 50: Share of households with formal refuse removal (%)	54
Figure 51: Number of households with no formal refuse removal	55

ABBREVIATIONS

SEZ		Special Economic Zones
SARS		South African Receiver of Revenue
AIDS	-	Acquired Immune Deficiency Syndrome
EAP	-	Economic Active Population
GDP	-	Gross domestic product
GDE		Gross Domestic Expenditure
GFCF	-	Gross Fixed Capital Formation
CPI		Consumer Price Index
USD		United States Dollar
AfCFTA		African Continental Free Trade Area
SMMEs		Small Medium Middle Enterprises
MLL		Minimum Living Level
GHS	-	General Household Survey
HDI	-	Human Development Index
HIV	-	Human Immunodeficiency Virus
IMF	-	International Monetary Fund
LDP	-	Limpopo Development Plan
NDP	-	National Development Plan
NHI	-	National Health Insurance
QLFS	-	Quarterly Labour Force Survey
SDGs	-	Sustainable Development Goals
SERO	-	Socio Economic Review and Overview
StatsSA	-	Statistics South Africa
DHS		Department of Human Settlement

INTRODUCTION

The world has come to an appreciation of the varied inequalities that exist in the globe from economy, trade, to access to basic services and amenities. It is for this reason that there are organisations such as the world trade organisation who operate a global system of trade rules and acts as a forum for negotiating trade agreements to ensure fair trade. Other treaties include the Sustainable Development Goals which aim at ensuring inclusive development in all countries. Fundamentally all government policies, be it the monetary policy or the fiscal policy, seek to pursue the twins being economic growth and economic development.

Over the years, the global economy has faced numerous shocks prompting governments to embark on policy adjustments from monetary policy easing and expansionary fiscal policy depending on the position of the business cycle. In recent years' global economy has been subdued exerting pressure on gross government revenue collection and thereby compromising global fiscal sustainability.

South Africa needs to be proactive to develop resilient policies that will withstand the external geo-political, economic and financial market shocks. This can be achieved by keeping macro-economic fundamentals in balance and supporting the country's macro-economic framework (National Development Plan). Without hamstringing public sector investment, government needs to consolidate and condense the national debt levels. This will ensure that national transfers to subnational government is not comprised and Limpopo in particular can be capacitated to support the developmental agenda laid out in the Limpopo Development Plan (LDP).

CHAPTER 1: ECONOMIC OVERVIEW

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

1.1. World Economic growth

Countries are striving for economic buoyancy as this propels the possibilities of job creation, fiscal sustainability and improved wellbeing of citizens. However downward risks to economic growth in many countries have been presented in recent times, such as impactful political decisions, terms of trade adjustments and disease outbreaks. The consequences of globalisation is that countries are interdependent, the success of one economy spills over to allied economies, and equally so the windfalls of one economy can have a devastating effect on associated economies.

World economy is expected to grow to as much as 3.6 percent in 2021. This is a marginal improvement from the anticipated 3.0 percent in 2019. The global economic growth estimate for 2019 and projection for 2020 would have been 0.5 percentage point lower in each year without the substantial monetary easing across advanced and emerging market economies in 2019.

An improved global economy is dependent on a number of factors which includes among others cordial terms of trade between countries, subdued wars and containment of disease outbreaks. These factors have the potential of maximising productivity of the private sector and the free flow of goods and services between regions. World economic growth will in the medium term be supported by economic growth in emerging markets and developing economies and sub Saharan Africa which is forecast to grow at 4.8 percent and 3.7 percent respectively in 2021.

Table 1 Gross domestic product, constant prices Percent change

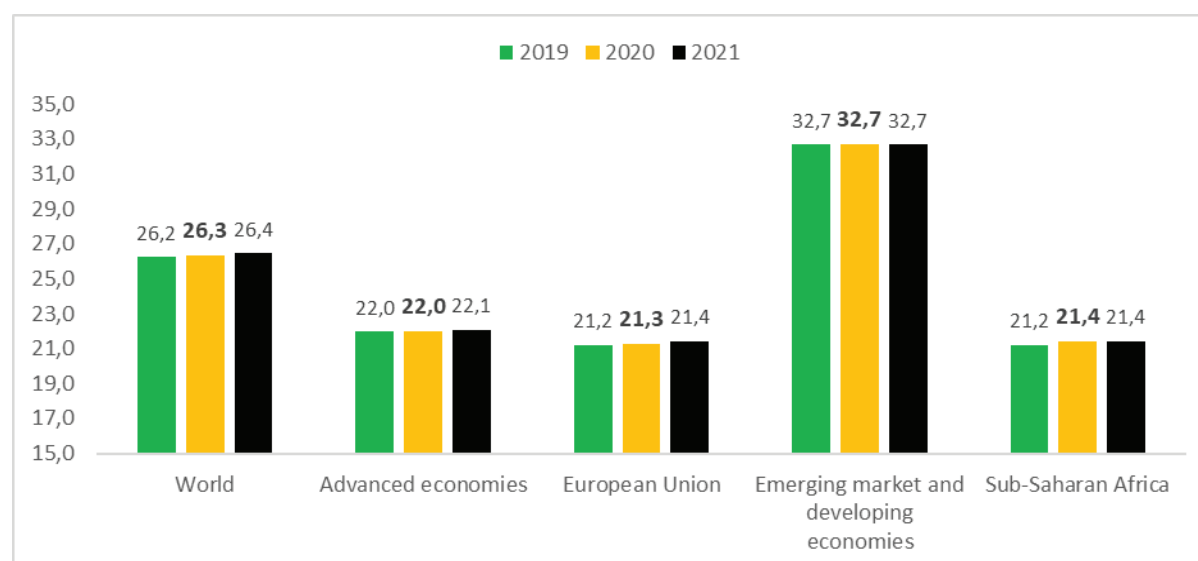
Country Group Name	2017	2018	2019	2020	2021	2022
World	3,8	3,6	3,0	3,4	3,6	3,6
Advanced economies	2,5	2,3	1,7	1,7	1,6	1,6
European Union	2,8	2,2	1,5	1,6	1,7	1,6
Emerging market and developing economies	4,8	4,5	3,9	4,6	4,8	4,8
Sub-Saharan Africa	3,0	3,2	3,2	3,6	3,7	3,9

Source: International Monetary Fund October 2019

1.2. World investment

Rising geopolitical tensions, notably between the United States of America and Iran, could disrupt global oil supply, hurt sentiment, and weaken already tentative business investment. Moreover, intensifying social unrest across many countries, in some cases, the erosion of trust in established institutions could disrupt economic activity, complicate reform efforts and weaken sentiment, dragging growth lower than projected. World investment as a percentage of Gross Domestic Product (GDP) remains subdued estimated to be 26.2 percent in 2019 and improving slightly to 26.3 percent in 2020.

Figure 1: Investment as Percentage of GDP



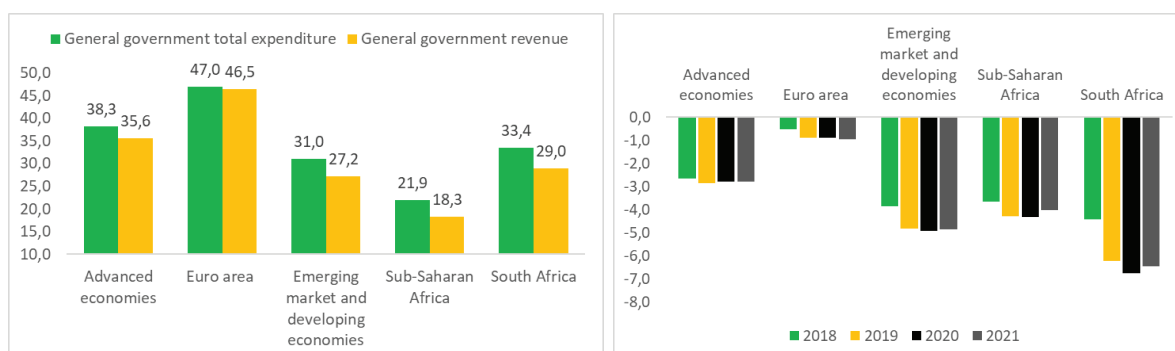
Source: International Monetary Fund October 2019

1.3. World Fiscal Outlook

Europe had the highest government expenditure as a percentage to total GDP, recorded at 47.0 percent in 2018. However, the region has the lowest general government net lending/borrowing ratio of -0.5 percent in the same period. This is indicative of the regions prudent fiscal position, except for Italy and Spain.

South Africa had a general government net borrowing requirement of 4.4 percent of GDP in 2018 which is expected to deteriorate to 6.2 percent of GDP in 2019/20. This is indicative of growing government expenditure that exceeds total revenue. Persistent risks such as rising unemployment and weak economic growth will continue to worsen the poor fiscal outlook in the medium to long term. National and international fiscal policies should ensure that debt ratios remain sustainable, which would also in the process contain borrowing costs. Improving the rationalizing of recurrent non-core expenditure, and mobilizing revenue can help preserve capital expenditure needed to boost the growth potential of the South African economy.

Figure 2: Government total expenditure and revenue and General government net lending/borrowing



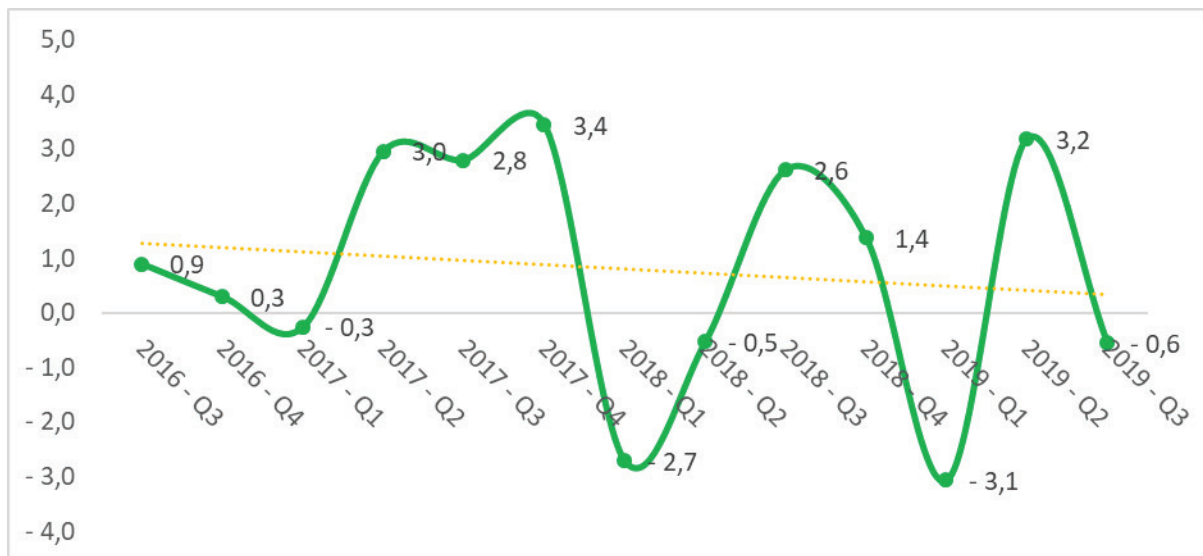
Source: International Monetary Fund October 2019

The investment as a percent of GDP in Sub Saharan Africa is anticipated to be constant in 2020 and 2021. Structural constraints and deteriorating public finances are holding back business confidence and private investment. Some countries are embarking on public sector consolidation to contain debt vulnerabilities, which is expected to weigh on growth.

1.4. South African Economic Outlook

South Africa's Gross Domestic Product (GDP) has shown relative improvement in the second quarter of 2019, growing at 3.2 percent, however lacklustre World economic momentum, low business confidence, has weighed down on full recovery. Real GDP decreased by -0.6 percent in the third quarter of 2019. The National Treasury anticipates economic growth to be an average of 0.5 percent for 2019 and pick up to 1.2 percent in 2020. While the International Monetary Fund (IMF) expects economic growth of 0.6 percent for 2019 and improving to 1 percent in 2020.

Figure 3: SA sector size and sector growth (2010 to 2018)



Source: StatsSA Gross Domestic Product 2019 Q3

The growth in the third quarter growth was supported mainly by Trade, Catering and Accommodation (0.4 percent), Finance, Real Estate and Business Services (0.3 percent), General Government services (0.4 percent), Personal services (0.02 percent). Growth repressors where Agriculture, Forestry and Fishing, Mining and quarrying, Manufacturing, Electricity, Gas and Water, Construction and Transport, Storage and Communication recording -0.1, -0.5, -0.5, -0.1, -0.1 and -0.5 percentage points respectively.

Table 2: Industry value added and GDP Constant 2010 prices, seasonally adjusted

	2018 - Q3 Sep-18	2018 - Q4 Dec-18	2019 - Q1 Mar-19	2019 - Q2 Jun-19	2019 - Q3 Sep-19
Agriculture, forestry and fishing	0,3	0,2	-0,4	-0,1	-0,1
Mining and quarrying	-0,7	-0,3	-0,8	1,2	-0,5
Manufacturing	0,9	0,6	-1,1	0,3	-0,5
Electricity, gas and water	0,0	0,0	-0,2	0,1	-0,1
Construction	-0,1	0,0	-0,1	0,0	-0,1
Trade, catering and accommodation	0,5	-0,1	-0,5	0,5	0,4
Transport, storage and communication	0,6	0,7	-0,4	0,0	-0,5
Finance, real estate and business services	0,4	0,5	0,2	0,9	0,3
General government services	0,3	-0,1	0,4	0,5	0,4
Personal services	0,0	0,1	0,1	0,0	0,0
Taxes less subsidies on products	0,4	-0,2	-0,3	0,0	0,1
GDP at market prices	2,6	1,4	-3,1	3,2	-0,6

Source: StatsSA Gross Domestic Product 2019 Q3

Real gross domestic expenditure (GDE) percentage change contracted to 0.9 percent in 2018. Growth in all components of real gross domestic final demand moderated with the exception of expenditure by general government which improved from 0.2 percent in 2017 to 1.9 percent in 2018. Gross Fixed Capital Formation (GFCF) percentage change contracted from by 1 percent in 2017 to -1.4 percent in 2018- it is expected due to low investor confidence over recent years. GFCF by state owned enterprises has been subdued by growing debt book which is eroding surplus funds that are directed towards the debt service costs.

Table 3: Real gross domestic expenditure Y-Y % change at seasonally adjusted

	2015	2016	2017	2018
Final consumption expenditure by households	1,9	0,6	2,1	1,8
Final consumption expenditure by general government	-0,8	2,2	0,2	1,9
Gross fixed capital formation	2,5	-3,5	1,0	-1,4
Gross domestic expenditure	2,0	-0,9	1,9	0,9

Source: StatsSA Gross Domestic Product 2019 Q3

1.4.1. Price Inflation

The headline Consumer Price Index (CPI) in January 2020 was 4.5 percent which is within the CPI band of 3 to 6 percent. CPI for non-durable goods was recorded at 6.1 percent. The country doesn't anticipate a significant up surge in the CPI in the medium term given the low brent crude oil prices. However upward risks are still prevalent due to continued wars in some of the oil producing countries that may affect consistent supply. Low CPI also implies that the reserve bank will not be under pressure to increase interest rates therefore keeping the cost of capital relatively low or may even lead to further reduction in interest rates to stimulate household consumption and private sector borrowings.

Figure 4: SA total consumer index

Group	Percentage change	
	Jan 2020 vs. Dec 2019	Jan 2020 vs. Jan 2019
All items (CPI Headline)	0,3	4,5
CPI excluding food and NAB, fuel and energy	0,1	3,7
CPI for all goods	0,6	4,9
CPI for durable goods	0,7	2,3
CPI for semi-durable goods	0,1	1,8
CPI for non-durable goods	0,7	6,1
CPI for services	0,1	4

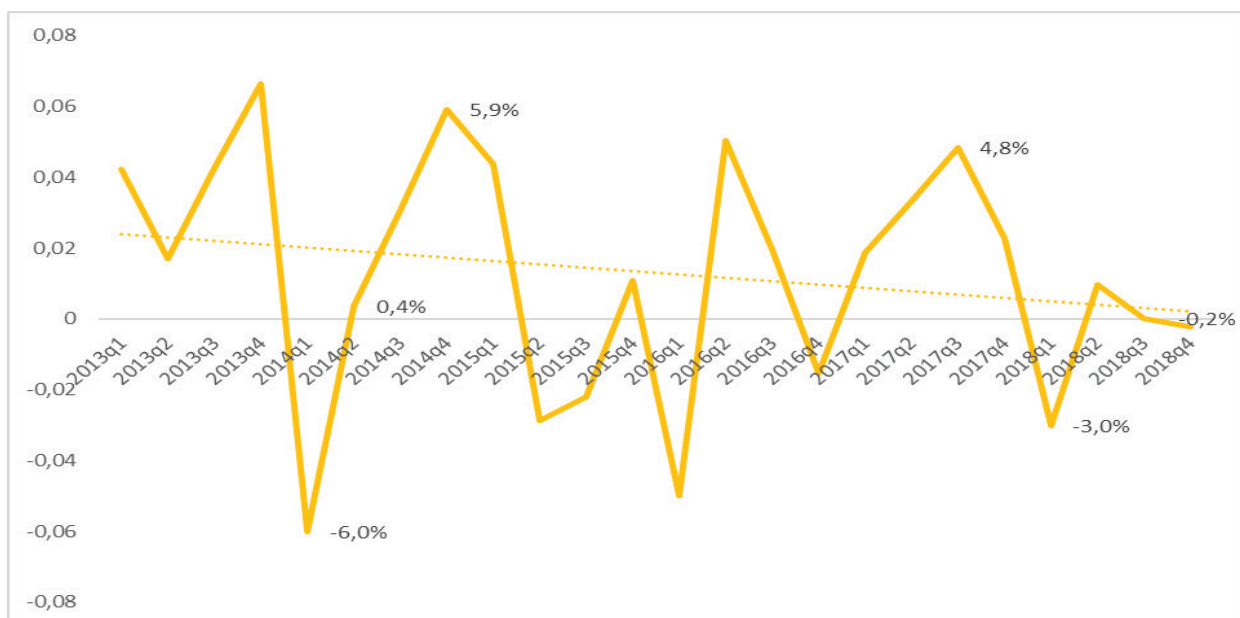
Source: StatsSA September 2019

1.5. Limpopo Economic Outlook

1.5.1. Limpopo Economic Growth

The Limpopo economic growth trajectory is on a downward slope characterised by less vibrant and diminishing productive economic sectors. Given that the domestic economy is almost synonymous with the mining sector, mines had to juggle the unrestrained currency fluctuations in the recent past and uncertain markets emanating from trade tensions and unresolved Brexit trade deal with the European Union which all have the potential of presenting both opportunities and threats. Limpopo's economy has contracted from 4.8 percent in the fourth quarter of 2017 to -3.0 percent in the first quarter of 2018. The intermittent recovery in the second quarter of 2018 was short lived as deterioration in the macro-economic fundamentals weighed down on growth and recorded a contraction of -0.2 percent in the last quarter of 2018.

Figure 5: GDP Average growth (constant 2010 prices)



Source: IHS Markit Regional eXplorer 1854 (2.6i)

It is essential to have close look at the commodity prices as the provincial economy is highly anchored in mining activities. The weakened provincial economic growth in 2018 and 2019 was influenced by the softening in the platinum prices that declined

from USD 950 per ounce in 2017 to USD 861 per ounce in 2019. However, provincial growth is set to improve in 2020 and 2021 when platinum prices are expected to rise to USD 919 per ounce and USD 939 per ounce respectively. The only concern is that the mining sector is one of the most capital intensive industries in the province, implying that the province may experience jobless growth.

Table 4: International commodity prices

International commodity prices	2017	2018	2019	2020	2021	2022
Brent crude oil (US\$ per barrel)	54,8	71	63,831	57,838	56,226	56,085
Gold (US\$ per ounce)	1257,7	1269,3	1397,828	1523,872	1545,451	1564,84
Platinum (US\$ per ounce)	950,4	880,7	861,732	919,165	939,502	960,193
Coal (US\$ per ton)	77,3	93,1	71,444	69,773	73,098	75,793
Iron ore (US\$ per ton)	70,6	66,4	90,7	74,2	68,6	66,3

Source: National Treasury 2019

District economies have equally suffered low economic momentum in 2018. Sekhukhune and Waterberg district experienced a technical recession following two consecutive contractions of -0.02 in the third quarter of 2018 and -0.01 in the fourth quarter in 2018. Waterberg and Sekhukhune have relatively high mining activities and are susceptible to foreign demand variations, currency volatility and labour protest. It is for this reason that economies need to diversify and develop value adding value chains, this is confirmed by government support to a number of Small Medium Middle Enterprises (SMMEs) to develop industrialists.

Table 5: GDP Average annual growth (constant 2010 prices) by districts

District	2017q4	2018q1	2018q2	2018q3	2018q4	Trend
Mopani	0,02	-0,04	0,00	0,00	0,00	
Vhembe	0,03	-0,03	-0,02	0,02	0,01	
Capricorn	0,03	-0,02	-0,01	0,02	0,01	
Waterberg	0,02	-0,03	0,04	-0,02	-0,01	
Sekhukhune	0,01	-0,02	0,04	-0,02	-0,01	

Source: IHS Markit Regional eXplorer 1854 (2.6i)

1.6. Conclusion

The economic recovery of the province is dependent on many factors and some are exogenous to local economic policy. However, this does not impede the province from exercising its will of thoroughly diagnosing the economy and identifying economic propellers that will stimulate economic growth and development in the province. Among the important issues that the reviewed Limpopo Development Plan (LDP) seeks to do is introduce a structural reform in the local economy- changing from an extractive economy to a service based economy, but also developing the secondary sector of the economy in the process. Furthermore, accelerated economic growth in the province will be realised through an export led economic framework that will take advantage of the African Continental Free Trade Area (AfCFTA).

CHAPTER 2: LABOUR MARKET

Lack of inclusive economic growth in the region has meant that income and job insecurity continue to affect large sections of the population. Scarcity of decent jobs, especially for young people and pre-pension age groups, as well as low wages and low productivity are challenges which threaten social instability and contribute to marginalization. Sustained unemployment has led to increased labour migration where the province has lost skilled labour to neighbouring provinces such as Gauteng, Mpumalanga and North West provinces.

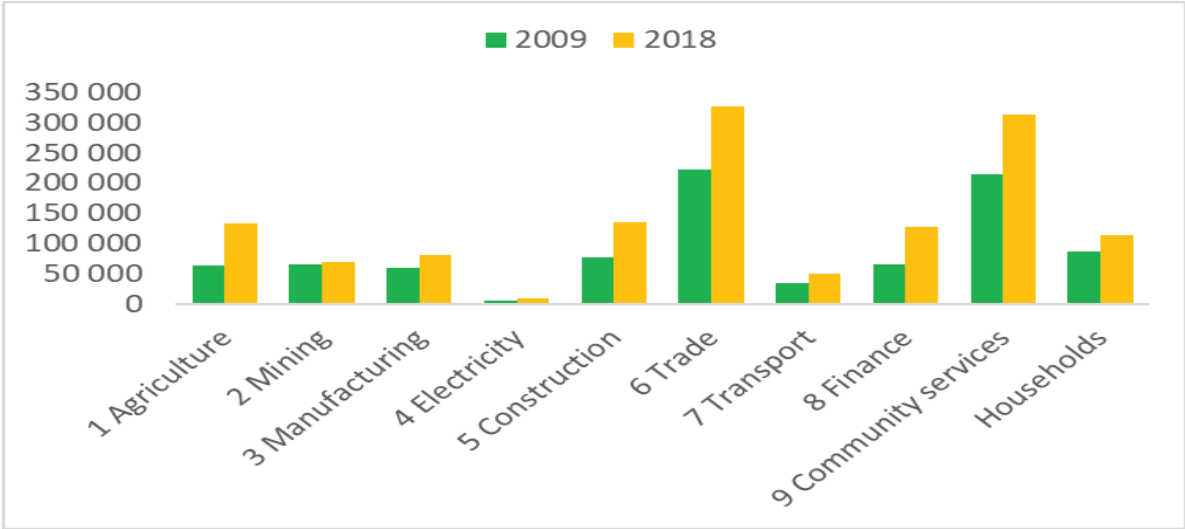
2.1. Employment

The country and the province in particular has prioritised the reduction of triple challenges namely unemployment, poverty and inequality. Numerous scholarly research articles indicate that in order to reduce poverty and income inequality, governments should pursue programmes that are intended to expanding the number of people employed in an economy. Hence the national and provincial economic frameworks, namely the National Development Plan (NDP) and Limpopo Development Plan(LDP), which the former targets the reduction of unemployment rate at 14 percent in 2019 and 6 percent in 2030.

2.1.1. Employment by sector

The two largest sectors that employ the majority of people in the province is Trade and Community services. They are followed by, construction (from 76 thousand in 2009 to 135 thousand in 2018), agriculture (from 63 thousand in 2009 to 133 thousand in 2018) and finance sectors (from 65 thousand in 2009 to 126 thousand in 2018). The lowest employing sectors in the province are electricity, transport and mining employing 8 thousand, 50 thousand and 69 thousand respectively in 2018. Ironically, the mining sector contributes 28,0 percent to the provincial GDP yet employs only 5.1 percent of the total employed people in the province.

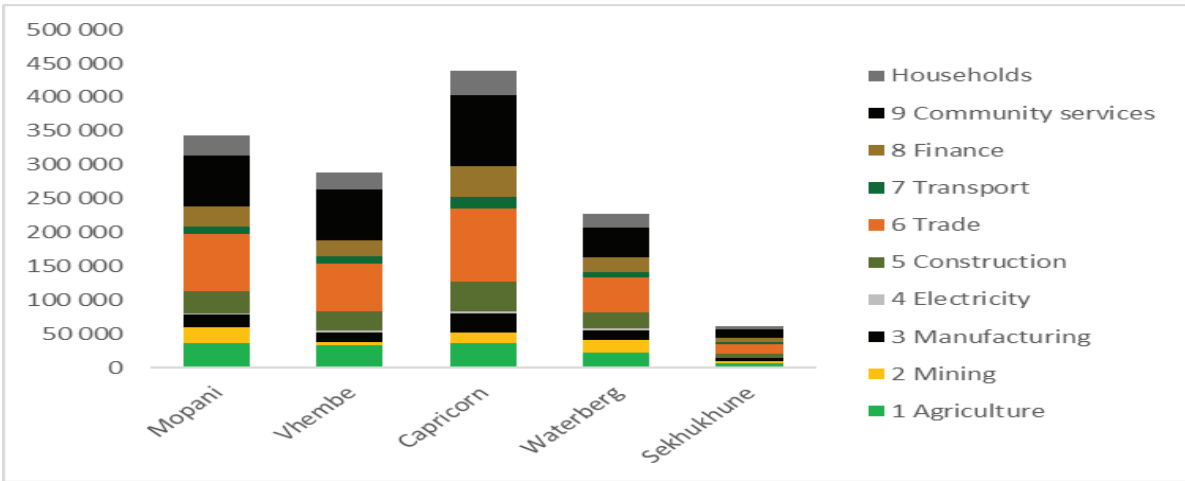
Figure 6: Limpopo employment numbers by sector



Source: IHS Markit Regional eXplorer 1854 (2.6i)

Though agriculture may be among the least contributors to the total GDP of the province it is a sector possessing employment potential for the low skilled labour force. On average, Agriculture, Construction, Trade and Community services sectors are the largest employing sectors across the districts. The sector that recorded the largest contribution of employment in Vhembe and Capricorn districts was community services recording 59 thousand and 61 thousand respectively. While in Mopani, Waterberg and Sekhukhune it was Trade, recording 53 thousand, 30 thousand and 27 thousand in each district respectively.

Figure 7: Limpopo employment numbers by sector and by district

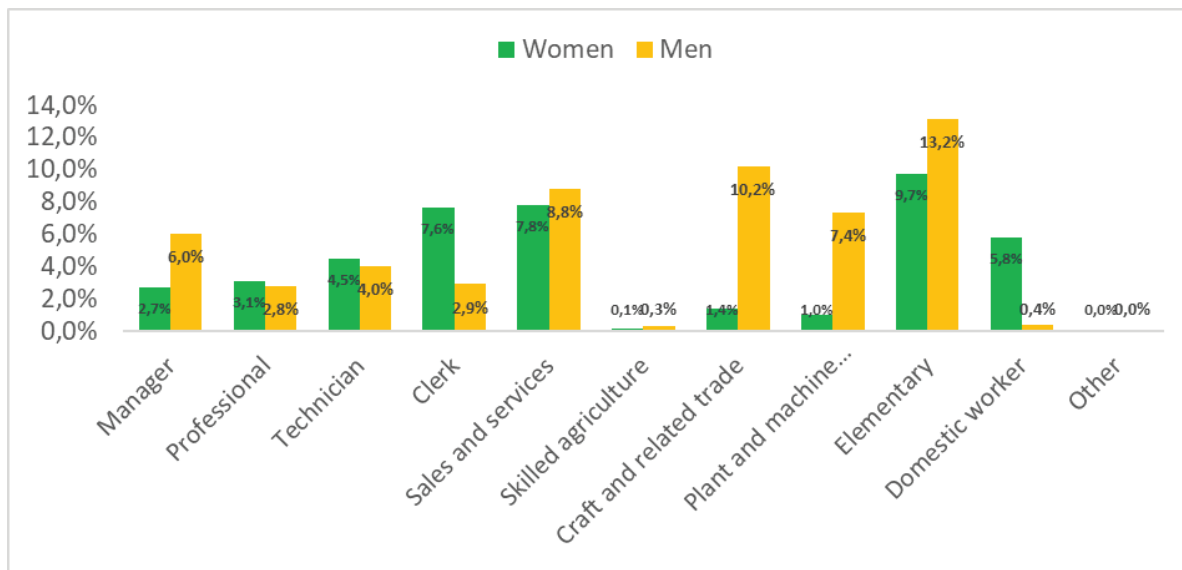


Source: IHS Markit Regional eXplorer 1854 (2.6i)

2.1.2. Employment by gender

Male dominated occupations in the country are Manager, Sales and Services, Skilled agriculture, Craft and related trade, plant and machinery operators and elementary. Male occupation in these sectors is over 50 percent. While females are pronounced in sectors such as Professional, Technician, Clerk, and Domestic work.

Figure 8: SA employment by occupation and gender



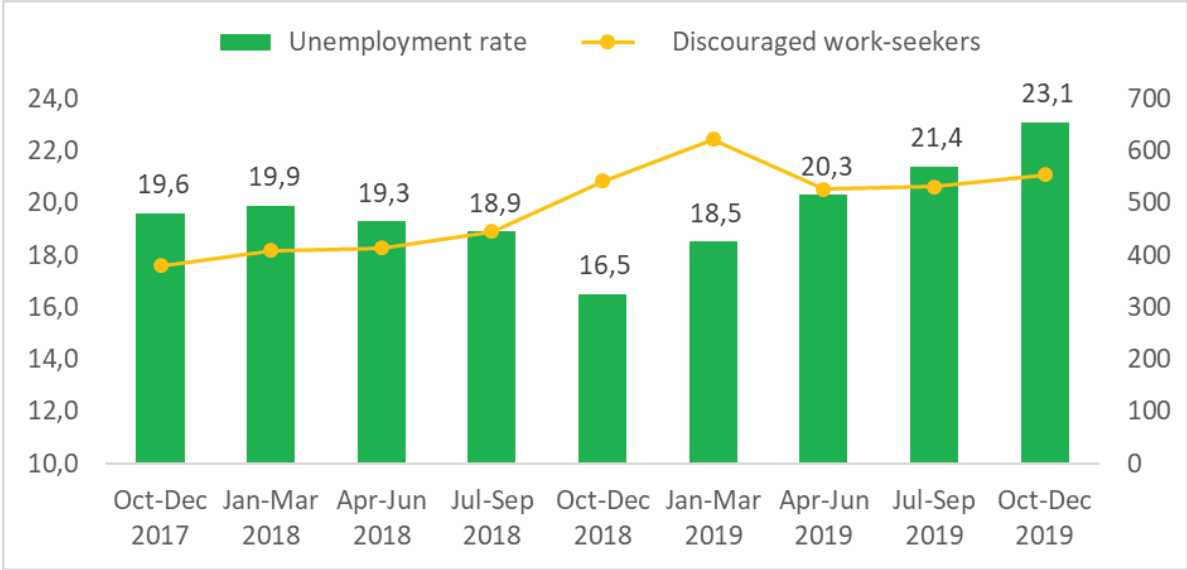
Source: StatsSA QLFS Q4

2.2. Unemployment

Limpopo province has one of the lowest unemployment rates in the country, however the trend is erratic yet on an upward trend from December 2018. In the fourth quarter of 2018, provincial unemployment was 16.5 percent which has increased to 23.1 percent in the fourth quarter of 2019. Although the 2019 rate is less than the national average of 29.1 percent, there is a subtle understating of unemployment in the Limpopo province. The low unemployment rate can clearly be explained by the number of job seekers who are leaving the labour market due to despondency. Discouraged work seekers grew by 45.9 percent (from 379 thousand in the fourth quarter of 2017 to 554 thousand in the fourth quarter of 2019). These are individuals

that have given up searching for employment due to lack of opportunities combined with the lack of requisite skills required in vacancies present in the market.

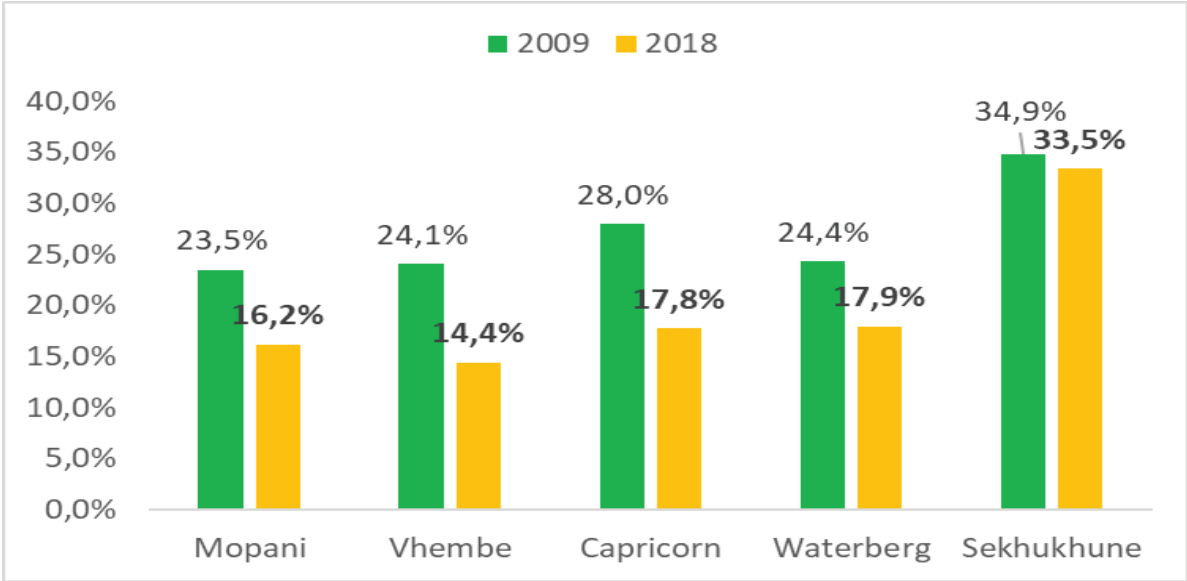
Figure 9: Limpopo Unemployment Rate - official definition and discouraged workers



Source: StatsSA QLFS Q3

The average unemployment rate for all the districts hovers around 16.6 percent with the exception of Sekhukhune district which recorded 33.5 percent in 2018. Given the demographic spread in the province and the fact that the majority of the working population is the youth, it goes without saying that the brunt of unemployment in Sekhukhune is borne by women and youth in particular. Suppressants of employment in the province include among others teenage pregnancy, limited higher learning institutions, lacklustre economic growth and weakened domestic and foreign investment.

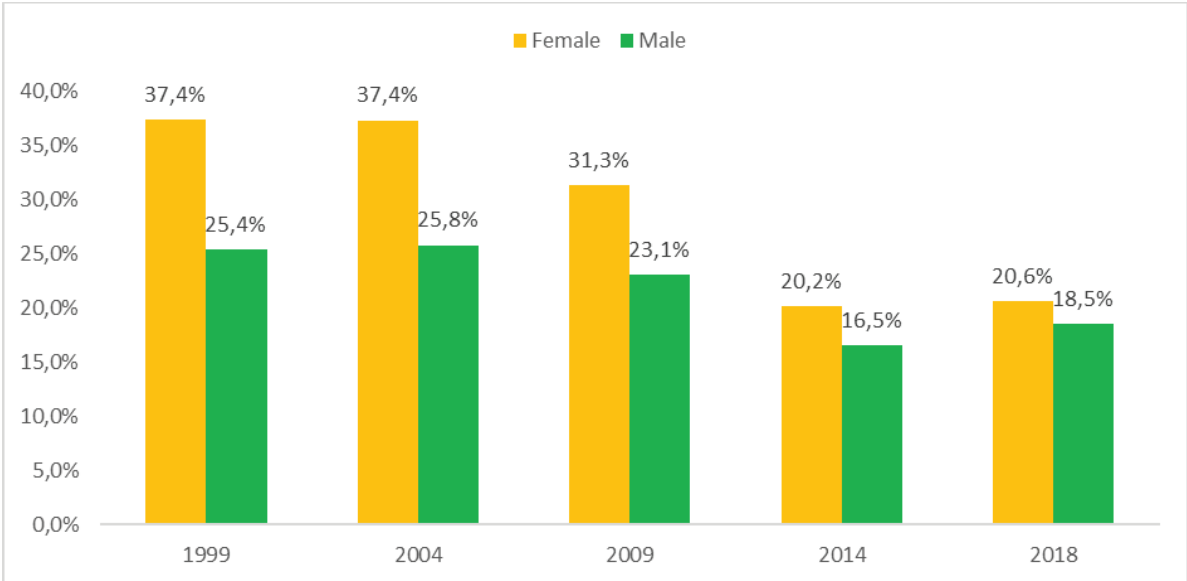
Figure 10: Unemployment Rate - official definition by districts



Source: IHS Markit Regional eXplorer 1854 (2.6i)

There is a disparity in terms of the unemployment rate in the province in terms of sex. Females suffer the largest rate of unemployment compared to the male counterparts. However, the gap has narrowed in recent years when unemployment for females reduced from 37.4 percent in 1999 to 20.6 percent in 2018, while male unemployment reduced from 25.4 percent in 1999 to 18.5 percent in 2018.

Figure 11: Limpopo unemployment rate by gender

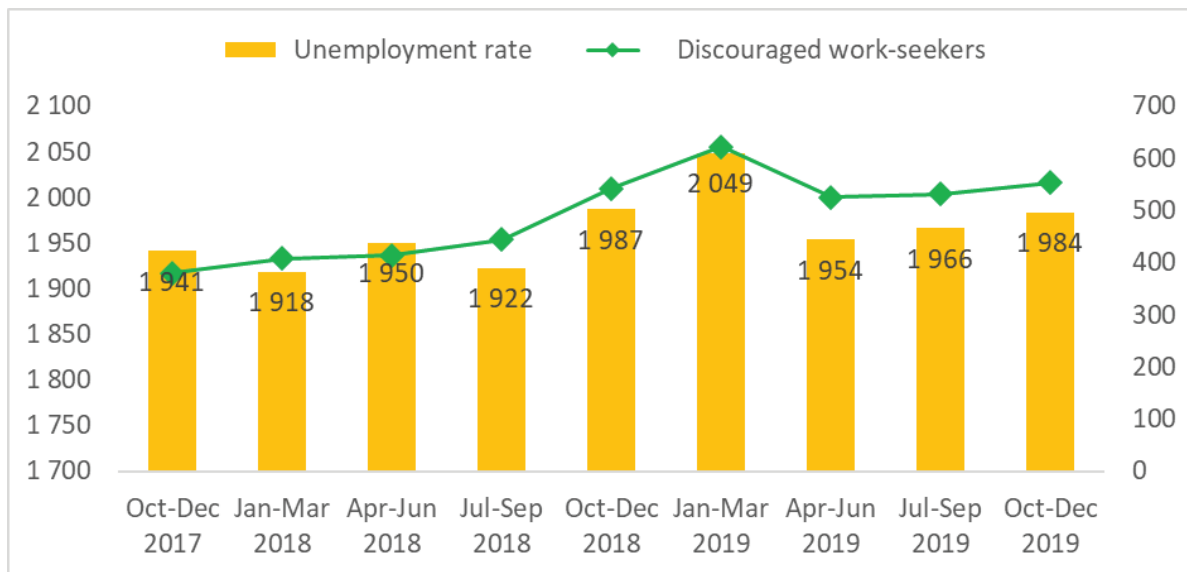


Source: IHS Markit Regional eXplorer 1854 (2.6i)

2.3. Not economically active

A person is considered to be economically inactive if they were able and available to work in the week prior to the survey but did not work, did not look for work and did not try to start their own business. This includes people such as university students and adults caring for children at home. The number of not economically active people is gradually rising in the province growing from 1.94 million in the fourth quarter of 2017 to 1.98 million in the fourth quarter of 2019. It is noticeable that the number of not economically active people share the same trend as the number of discouraged job seekers- although not concomitant. This implies that the pool of discouraged job seekers has a significant impact

Figure 12: Number of not economically active and discouraged job seekers



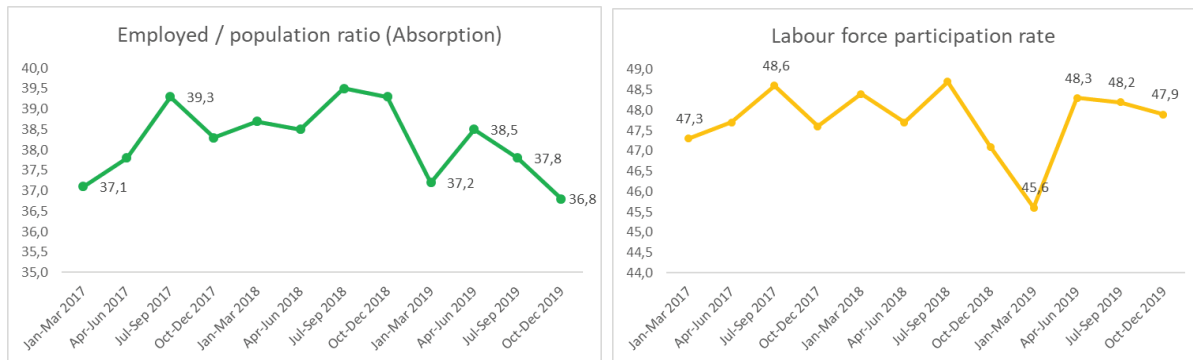
Source: StatsSA QLFS Q4

2.4. Labour absorption and participation

The provincial absorption rate has not changed significantly over a long period. In the fourth quarter of 2017 the provincial absorption rate was 38.3 percent which reduced marginally to 36.8 percent in 2019 fourth quarter. This is indicative of lack of job opportunities in the local economy, hence the rise in discouraged job seekers. The labour force participation rate has been on a declining trajectory over the past three

quarters from 48.3 percent in the second quarter of 2019 to 47.9 percent in the fourth quarter of 2019.

Figure 13: Limpopo labour absorption and participation



Source: StatsSA QLFS Q3

2.1. Youth labour dynamics

2.1.1. Youth working are population

The youth working population in the province amount to 56 percent, 2 percentage points above the national average of 54 percent. This implies that on average, Limpopo is more youthful than other provinces. The most youthful working population is in Mopani and Sekhukhune districts recording 56 percent and 57 percent respectively. While Vhembe, Capricorn and Waterberg districts recorded 55 percent each. A youth bulge implies plenty supply of potential workers for the future and large tax base. This can only materialise when the youth is educated and there are job opportunities when they enter the job market.

2.1.2. Youth employment

Although the youth constitute 56 percent of the working age population, only 38 percent (523 thousand) are in employment. This implies that the abortion rate of the youth is relatively low. This raises a social problem of a rise in discouraged young people who will redirect their energies towards socially inappropriate behaviours.

Capricorn and Waterberg districts have the highest proportion of population that is in employment recording 40 percent and 42 percent respectively. Other districts recorded an average of 34 percent, indicative of low employment opportunities in the districts from the demand side while there is low skills base from the supply side. One of the key issues is the capital-intensive nature of the mining sector that hamper job creation in Sekhukhune and Waterberg. This situation prompts policy concerns of the type economic sectors that are being developed in the respective districts and what preparatory intervention is put in place from labour perspective to support such sectors i.e. skills development.

2.1.3. Youth discouraged work seekers

Discouraged work seekers are those that want to work but are not actively searching for a job as they have lost hope, wanted to work but there are no jobs in the area or were unable to find work that required their skills. Out of the total discouraged people in the province 66 percent of them are youth. The proportion of discouraged work seekers in Mopani and Waterberg districts are the highest at 69 percent and 70 percent respectively. However, in terms of absolute numbers, the largest number of discouraged workers are in Vhembe (70 thousand), Capricorn (63 thousand) and Sekhukhune (64 thousand) districts merely driven by the population numbers.

Table 6: Labour Force Characteristics by Age (Youth)

15 - 34 Years old	National Total	Limpopo	Mopani	Vhembe	Capricorn	Waterberg	Sekhukhune
Working Age Population	20 475 956	2 008 860	393 343	470 918	466 536	279 337	398 725
% of total	54%	56%	56%	55%	55%	55%	57%
Labour Force	10 387 986	732 023	153 379	131 820	193 938	112 954	139 931
% of total	46%	42%	41%	37%	42%	44%	50%
Employment (at place of residence)	6 402 717	523 025	130 218	105 838	162 112	95 847	29 009
% of total	39%	38%	38%	33%	40%	42%	32%
Unemployment - official definition	3 985 269	208 998	23 161	25 982	31 826	17 107	110 922
% of total	65%	62%	69%	65%	65%	67%	59%
Not Economically Active - official definition	10 087 970	1 276 837	239 964	339 097	272 598	166 383	258 794
% of total	66%	68%	73%	69%	70%	67%	61%
Not Economically Active - expanded definition	8 304 510	999 868	190 083	268 524	209 513	137 837	193 911
% of total	66%	69%	74%	71%	72%	66%	62%
Discouraged work seekers	1 783 459	276 969	49 881	70 573	63 086	28 546	64 883
% of total	66%	65%	69%	65%	65%	70%	60%

Source: IHS Markit Regional eXplorer 1854 (2.6i)

2.2. Conclusion

Employment is a function of a number of factors and any effective strategy or policy to deal with employment or unemployment will have to address the factors appropriately. Government needs to facilitate the growth of the provincial economy through the attraction of domestic and foreign investment (increase in production leads to increase in employment). The economy requires a structural adjustment where in labour intensive sectors such as Agriculture, Tourism and Manufacturing are given priority without negating other sectors. The provincial government needs to take a deliberate attempt to consolidate private education providers and the public education providers and align curriculum or course offerings to support the labour absorbing sectors in conjunction with the development trajectory of the province.

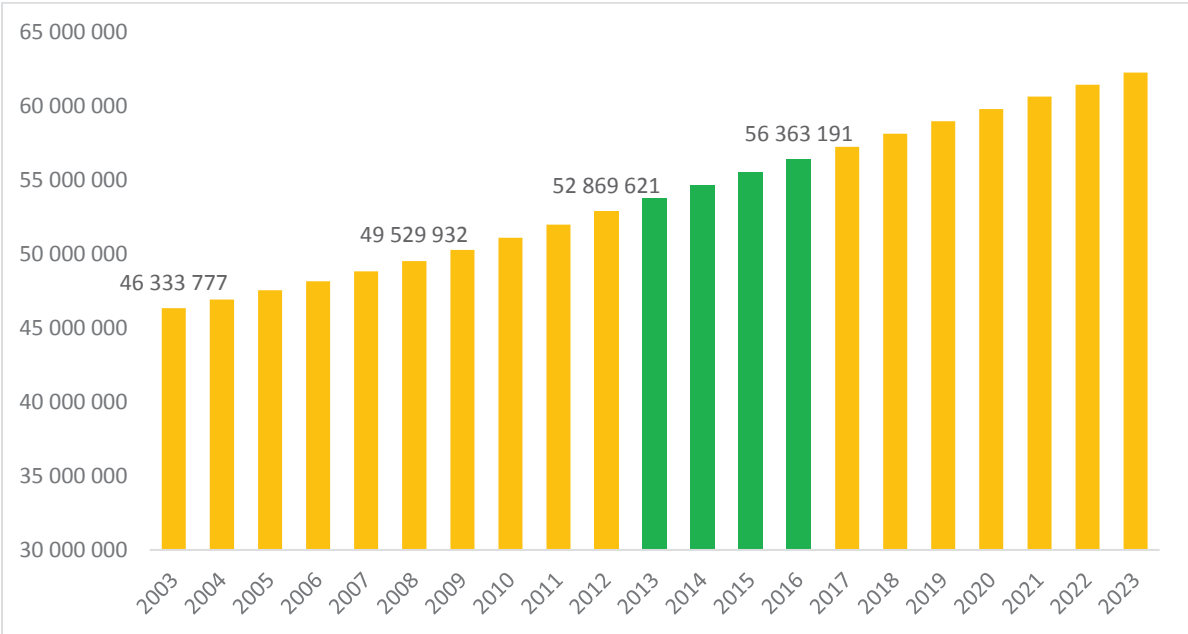
CHAPTER 3: DEMOGRAPHIC PROFILE

Population dynamics reflect the effects of transformation or changes among individuals in their functional and behavioural interactions. Population structure provides information that affects an individual’s functioning and behaviour, for example, population density affects competition for resources and opportunities in that particular region or country. The understanding of the provincial demography is important because it is one of the key variables that drive the equitable share allocation to provinces from the national fiscus.

3.1. South African population

South African population has been on a rise over the years, increasing from 51.1 million in 2010 to 55.4 million in 2015 and further to 58.9 million in 2019. It is projected to grow to 62.2 million by 2023. The population growth is driven by a number of changes in the social and political factors and behavioural changes in the communities within and beyond the country. Changes include among others, the increasing life expectancy, reduction in human immunodeficiency virus (HIV) prevalence and high rate of in-migrants from neighbouring SADC countries.

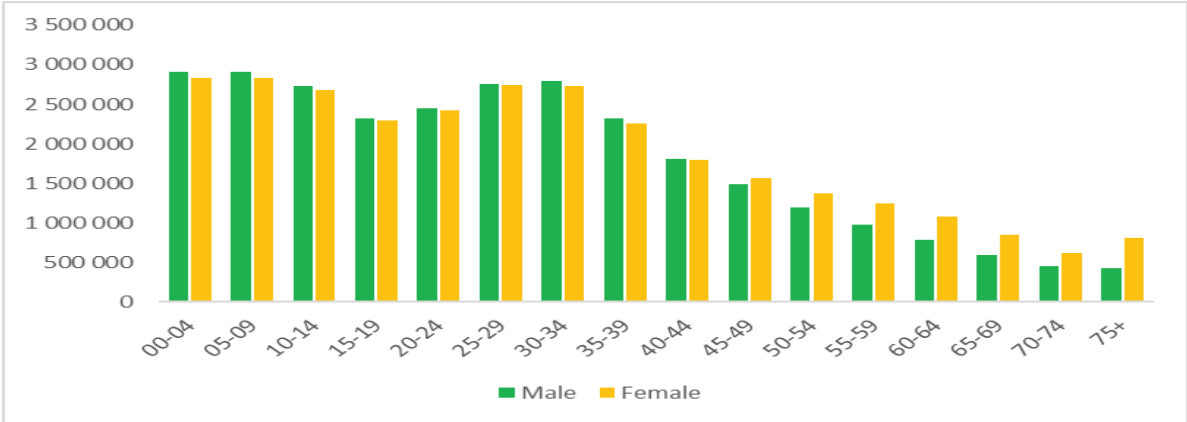
Figure 14: South African population growth and projections



Source: IHS Markit Regional eXplorer 1854 (2.6i)

The South African population structure is highly dominated by people of young age, between 0 and 34, skewing the population structure more towards the youth. Majority of this population are of school going age or pursuing tertiary education.

Figure 15: SA Population Structure

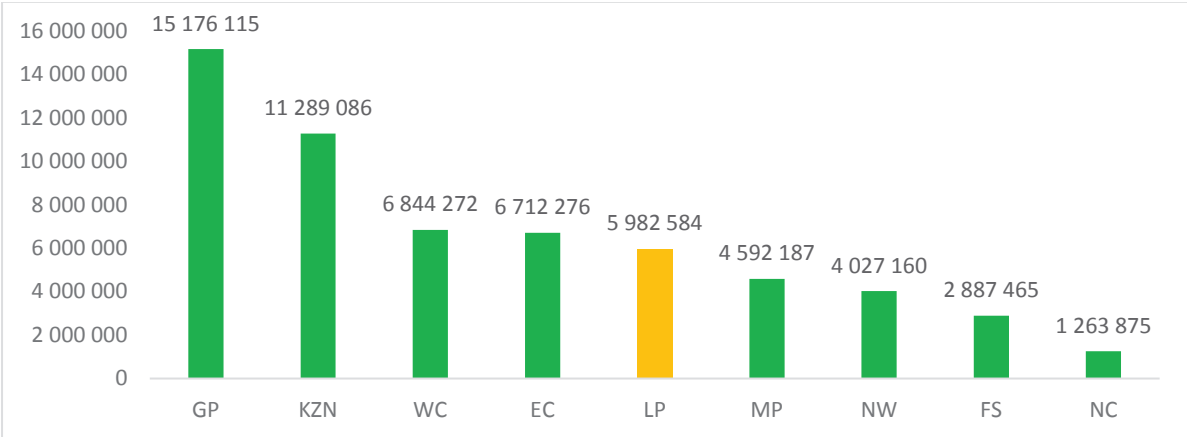


Source: IHS Markit Regional eXplorer 1854 (2.6i)

3.2. Limpopo population

Limpopo’s population is approximately 5.9 million which represents about 10 percent of the national population and is the fifth largest population in the country after Gauteng with a population of 15.1 million, KwaZulu Natal with 11.2 million, Western Cape with 6.8 million and Eastern Cape at 6.7 million. The Northern Cape, with a population of just over 1.2 million, is the province with the lowest population numbers.

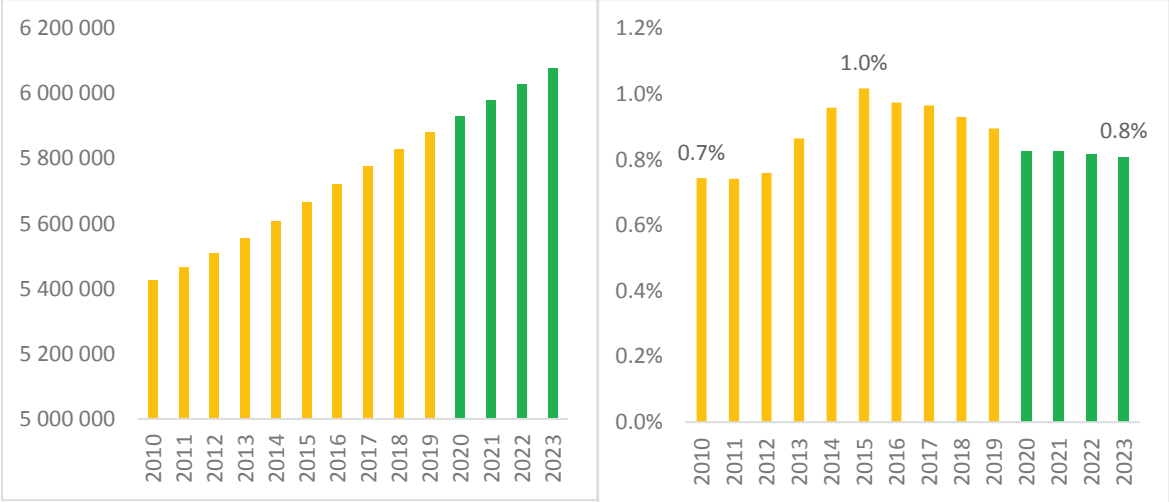
Figure 16: Provincial population in SA



Source: StatsSA Mid-year population estimates 2019

The Limpopo population increased from 5.4 million in 2010 to 5.9 million in 2019. The number is projected to increase to 6.0 million in 2023. The provincial government is faced with a challenge to align its development plans in concurrence with the increasing population. It is an axiom that an increase in the number of people in a geographical location will subsequently result in the increase on the demand for public services. The provincial population growth rate was on average 0.9 percent between 2010 and 2019 and it is projected to decline to 0.8 in 2023.

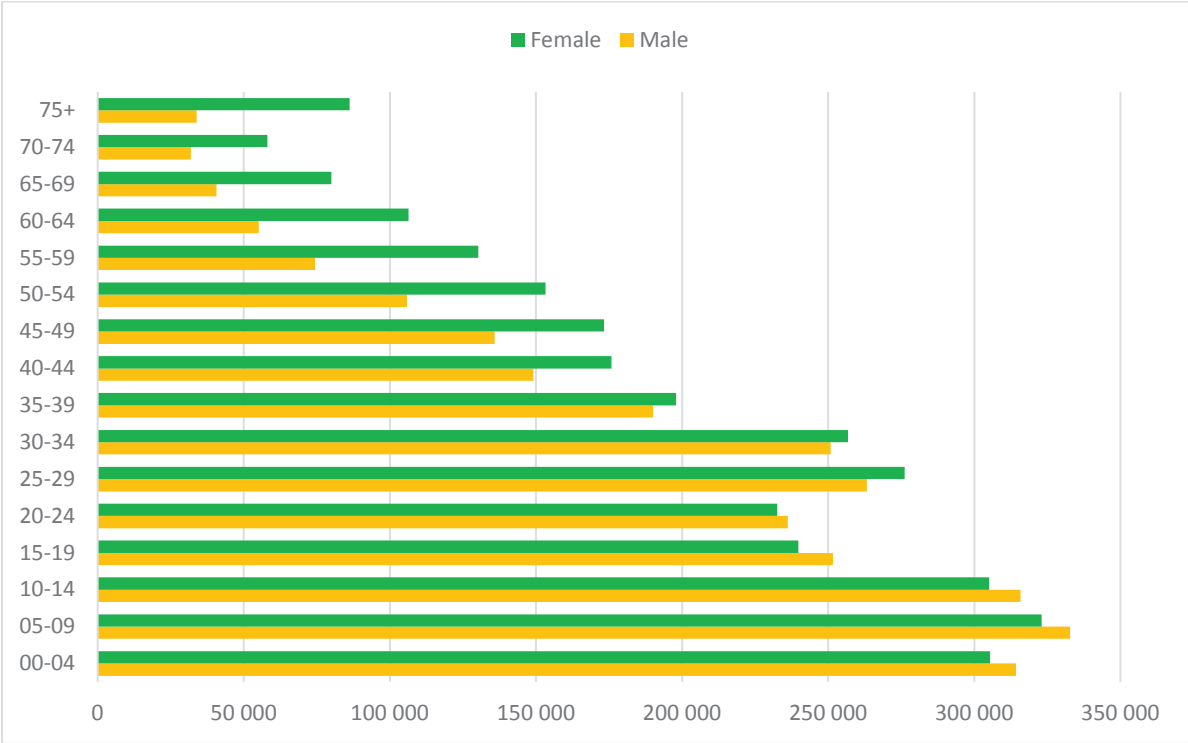
Figure 17: Limpopo population and population growth rate



Source: IHS Markit Regional eXplorer 1854 (2.6i)

The provincial population structure demonstrates a high dominance by youth population, who are 35 years and below. The highest population cohort is below 14 years, for both males and females. The total population contribution below 14 years' age is at around 2.0 million. A low skilled youthful population in the province pose a risk to the fiscal sustainability in the province, as they will be highly dependent on government requiring government to provide them with public goods such as education, health and recreation.

Figure 18: Limpopo population estimates by age and sex, 2018



Source: IHS Markit Regional eXplorer 1854 (2.6i)

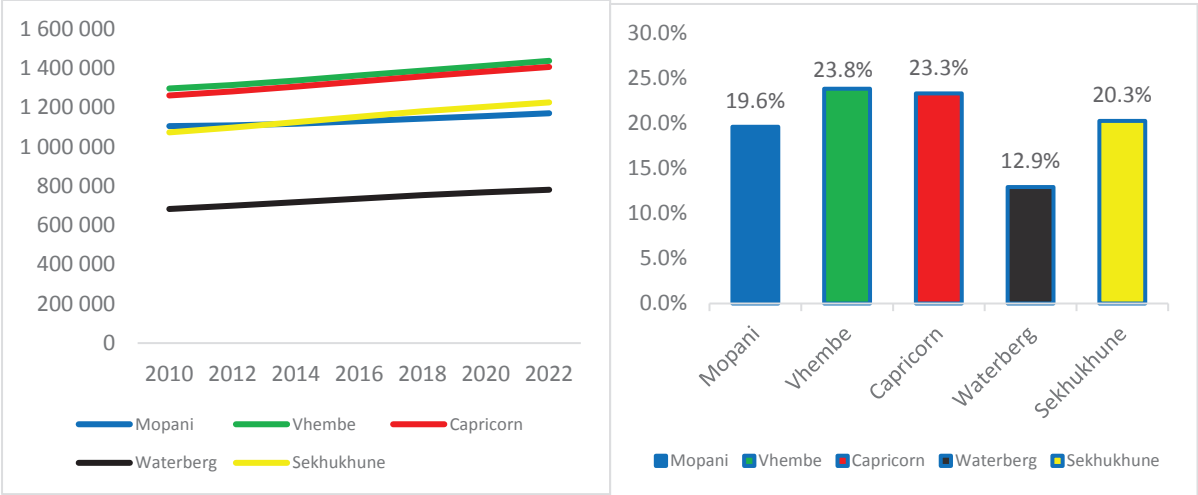
3.3. Limpopo district population shares

In terms of the 2018 Limpopo district population, Vhembe at 1.386 million or 23.8 percent and Capricorn at 1.359 million or 23.3 percent are the largest in terms of the provincial population share, followed by Greater Sekhukhune at 1.181 million or 20.3 percent, Mopani at 1.143 million or 19.6 percent, and Waterberg at 753 thousand or 12.9 percent respectively. In terms of percentage, Vhembe District continues to be the most heavily populated district in the province.

Sekhukhune and Waterberg district population growth rate are the highest in the province, as they were recorded at an average of around 1.4 percent and 1.5 percent respectively. Mopani is the slowest growing district, in terms of population growth, at an average of 0.7 percent in 2017. The below figure indicates that the province should pay special attention to Sekhukhune and Waterberg districts when planning for the allocation of the provincial resources due to the potential for further growth in the

mining sector. The increase growth in the sector will also lead to more people moving to the relevant areas.

Figure 19: Limpopo district population shares



Source: IHS Markit Regional eXplorer 1854 (2.6i)

3.4. Conclusion and recommendations

The provincial population numbers have been gradually increasing over the years and is mainly composed of younger people, who are at school and university going age or unemployed. They are therefore dependent on government for access to education and employment. The youth bulge necessitates provincial resource planners to direct resources towards departments such as Department of Education, Sport, Arts and Culture and Social Development so that these departments can implement their programmes as their programmes are more inclined to the development of the youth.

In term of the district population, it has been identified that the Municipalities such as Thulamela, Polokwane, Greater Tubatse/Fetakgomo, Greater Tzaneen and Mkgalakwena that are found in the cities have a bigger share in the district populations. It is recommended that the provincial government align its planning and allocation of resources towards these municipalities to avoid challenges when it comes to service delivery issues, such as water shortages, as it is the case in Polokwane.

CHAPTER 4: DEVELOPMENT INDICATORS

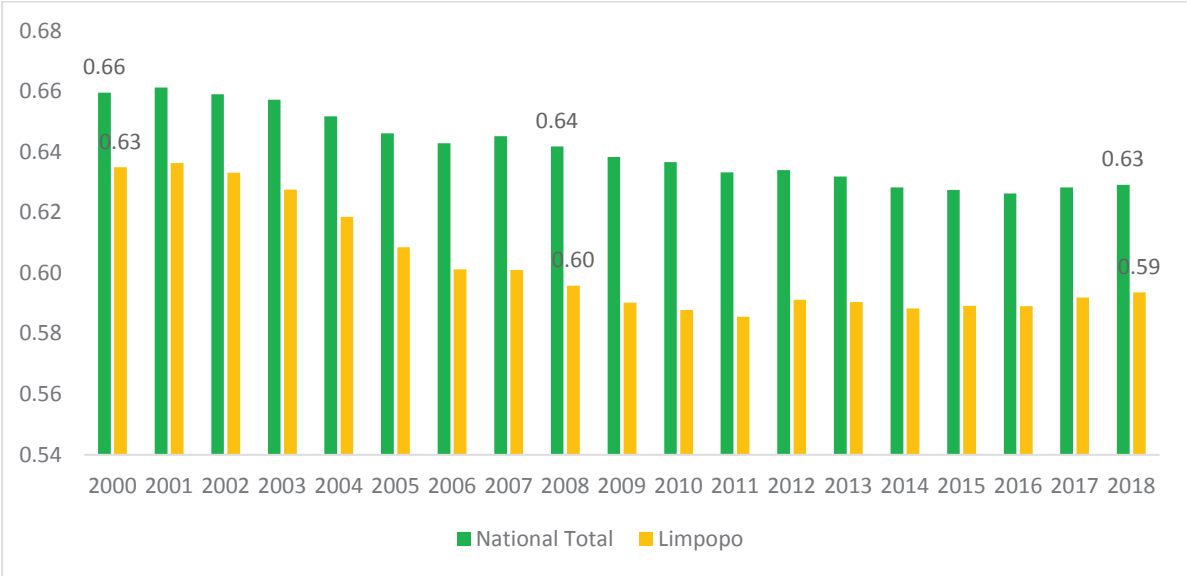
Discussing the level of economic development in a region or province is crucial, as it affords the region or province an opportunity to assess its broader level of economic development to its citizens than only focusing on economic growth. The level of economic development is not measured by a singular indicator as development of an individual ought to be wholistic therefore composite indicators are used to measure development and take into account different indicators- the Human Development Index is an example. Economic growth on its own is not sufficient to create economic development but is a prerequisite for higher levels of economic development.

4.1. Income inequality

South Africa has been identified as one of the most unequal countries in the world and is a key social challenge facing policy makers. The level of inequality can be measured by means of the Gini coefficient, which is a measure that compares the cumulative level of income with the cumulative percentage of the population that is receiving the income. All government development policies seek to narrow the gap of inequality in the country. National Development Plan (NDP) envisages to reduce the level of inequality from 0.69 to 0.60 by 2030.

Between 2011 and 2018, the Gini Coefficient in the country remained at an average of 0.63 according to IHS Markit Regional Explorer 2019. This is an improvement, however, from the exceptional year of 2000 where the Gini Coefficient was at around 0.66. While Limpopo Gini coefficient has improved from 0.63 in the year 2000 to 0.59 in 2018, this indicating a reduction in the level of inequality in the province. This is indicative of the poverty eradicating programmes and social programmes that are put in place by government. However, there is a long lasting and less fiscal dependent solution to income inequality and that is to create jobs for the unemployed.

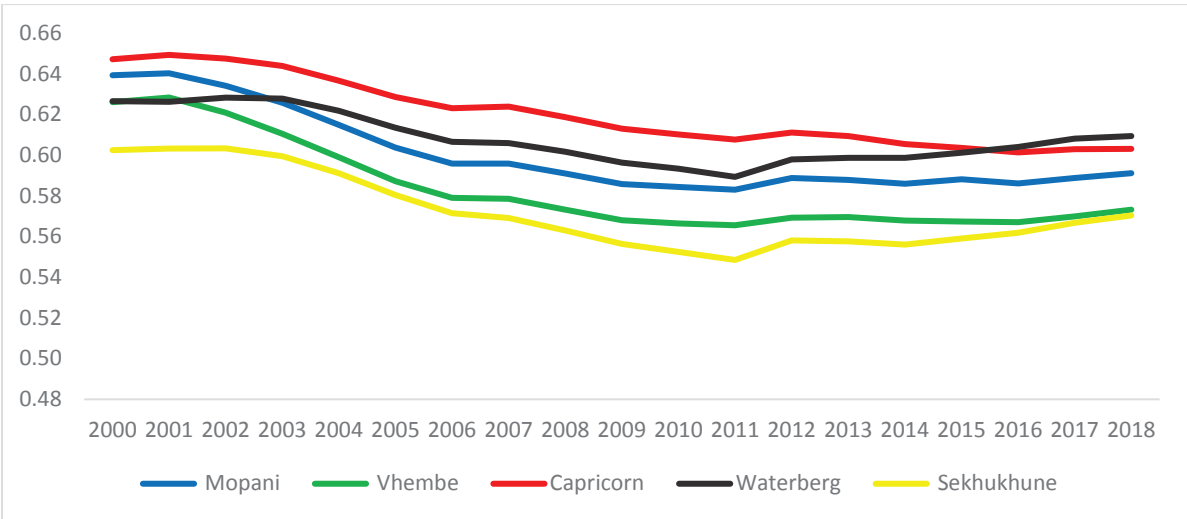
Figure 20: The Gini coefficient SA and Limpopo



Source: IHS Markit Regional eXplorer 1854 (2.6i)

The diagram below indicates that in 2018, Sekhukhune district at 0.57 percent has the most equal distribution of income in Limpopo, followed by both Vembe and Mopani at 0.59 percent respectively. Capricorn district at 0.62 percent and Waterberg district at 0.63 percent has the most unequal distribution of income in the province. The situation in Capricorn and Waterberg indicates that the income distribution in these areas are benefiting only a small proportion of the community or is not evenly distributed throughout the citizens.

Figure 21: Gini coefficient on district level

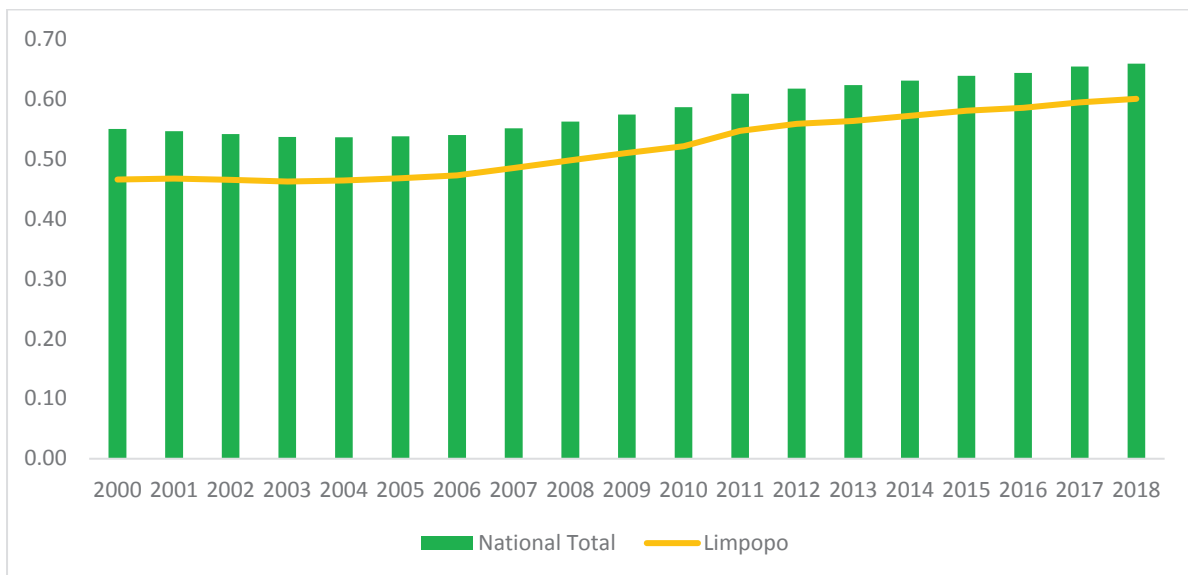


Source: IHS Markit Regional eXplorer 1854 (2.6i)

4.2. Human Development Index (HDI)

According to IHS Markit, the Human Development Index (HDI) is defined as a composite relative index used to compare human development across population groups or regions. HDI is the combination of three basic dimensions of human development: namely, a long and healthy life, knowledge or education, and a decent standard of living. Although these indicators are not conclusive to capture total development, they provide a relative and comparable indication.

Figure 22: HDI in SA and Limpopo

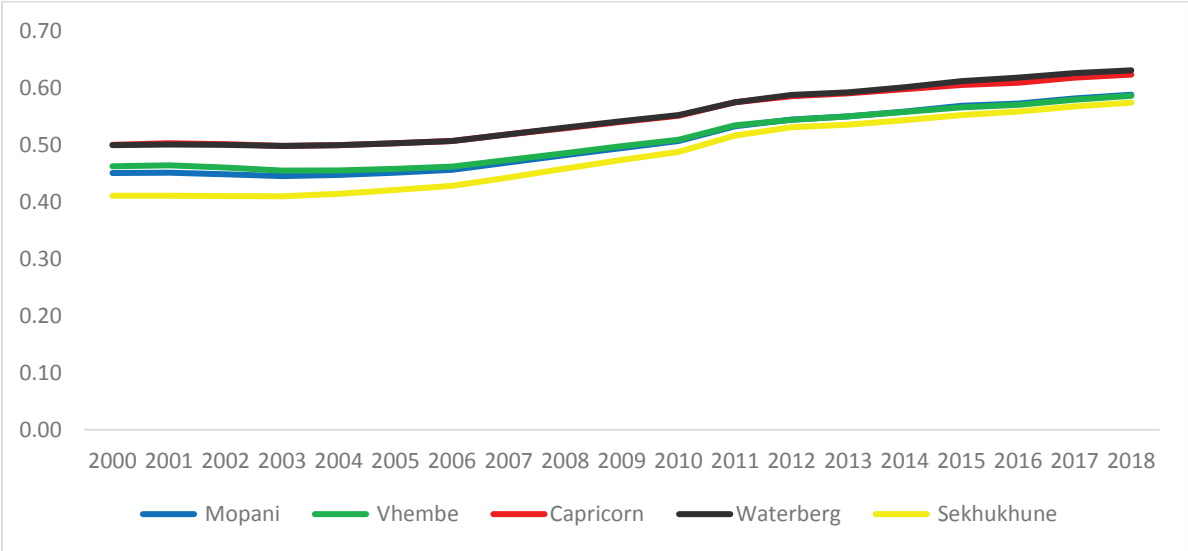


Source: IHS Markit Regional eXplorer 1854 (2.6i)

The above graph indicates that HDI for South Africa increased from 0.55 in 2000 to 0.66 in 2018, while for Limpopo province it increased from 0.47 to 0.60 in 2018. The improvement in the level of Human Development is associated with better quality of life and access to health and education in the country and the province.

In the province, the human development index per district is fairly similar. The diagram below indicates that in 2018, Sekhukhune district at 0.57 percent was the district with the lowest Human Development Index in Limpopo, followed by both Vembe and Mopani at 0.59 percent respectively. Capricorn district at 0.62 percent and Waterberg district at 0.63 percent were the districts with a better human development index in the province.

Figure 23: Limpopo Districts HDI



Source: IHS Markit Regional eXplorer 1854 (2.6i)

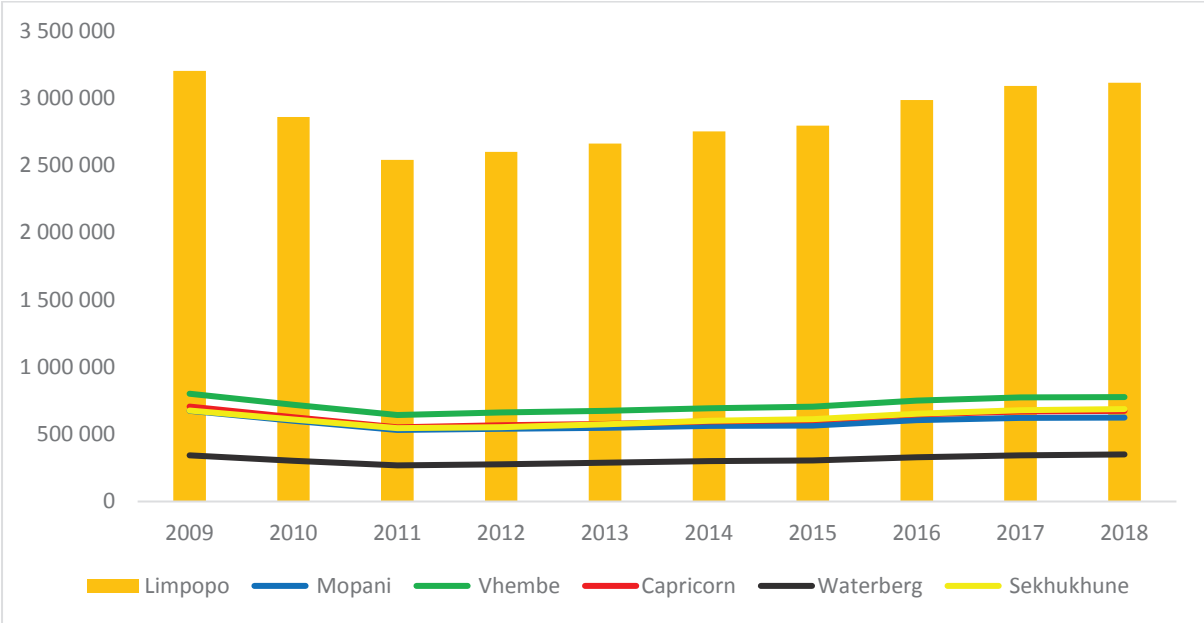
4.3. Poverty

Poverty is defined based on different indicators used to define poverty. The World Bank traditionally used \$1 a day and \$2 per day measures. While absolute poverty can be described as a multi dimensional concept and is characterised by severe deprivation of basic human needs, which include food, safe drinking water, sanitation facilities, health, shelter, education and information. Statistics SA measures the level of poverty based on the Minimum Living Level (MLL) of income that is needed for a family to meet its basic needs.

4.3.1. The Level of Poverty in Limpopo

According to IHS Markit Regional Explorer 2018, the lower poverty line is defined by StatsSA as the level of consumption that includes both food and essential non-food items, but requires individuals to sacrifice some food items in order to obtain the non-food items. In 2009 the number of people below the Lower Poverty Line in Limpopo was 3.2 million persons or 52.7 percent of the population. The number reduced to 2.5 million in 2011 or 47.2 percent before shooting up 3.1 million or 53.4 percent in 2018. This is indicative that provincial government needs to continue to intensify its efforts in fighting and reducing the levels of poverty in the province.

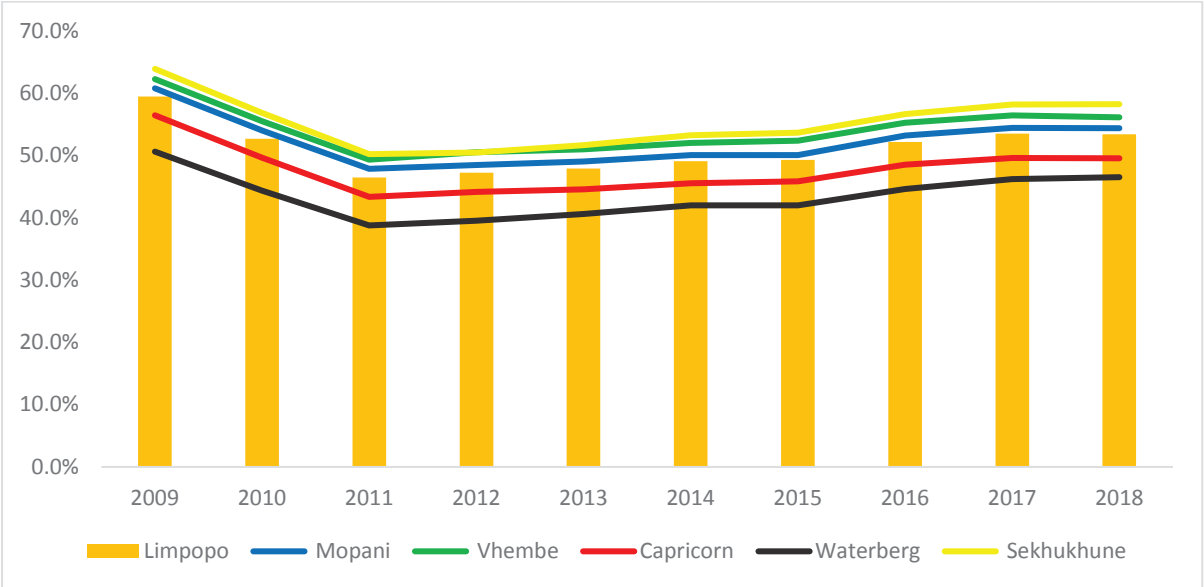
Figure 24: People below the lower poverty line (StatsSA defined)



Source: IHS Markit Regional eXplorer 1854 (2.6i)

Waterberg District and Capricorn district have relatively the lowest levels of poverty as a share of the population both recording 50 percent, below the Limpopo average of the lower poverty line of 52.7 percent. This is a significant improvement from the 75.1 percent of persons in poverty in 1999. The poorest regions in the province are the Sekhukhune district, the Vhembe district and Mopani district.

Figure 25: Share below the lower poverty line (StatsSA defined)



Source: IHS Markit Regional eXplorer 1854 (2.6i)

4.4. Conclusion and recommendations

Limpopo province is faced with the persistent social challenge of relatively low human development, high income inequality and high levels of poverty. What worsens these social ills is low skills levels among the youthful population in the province. It is recommended that the provincial government implement reforms that will skill its young people and create incentives to keep them in the province. Higher levels of economic growth and development in the province is recommended, which will lead to job creation and help lower the number of households in poverty. It is important that the province ensure higher levels of economic growth that is inclusive in the sense that everybody should benefit equally as this will ensure that there is a balanced distribution of income in the province.

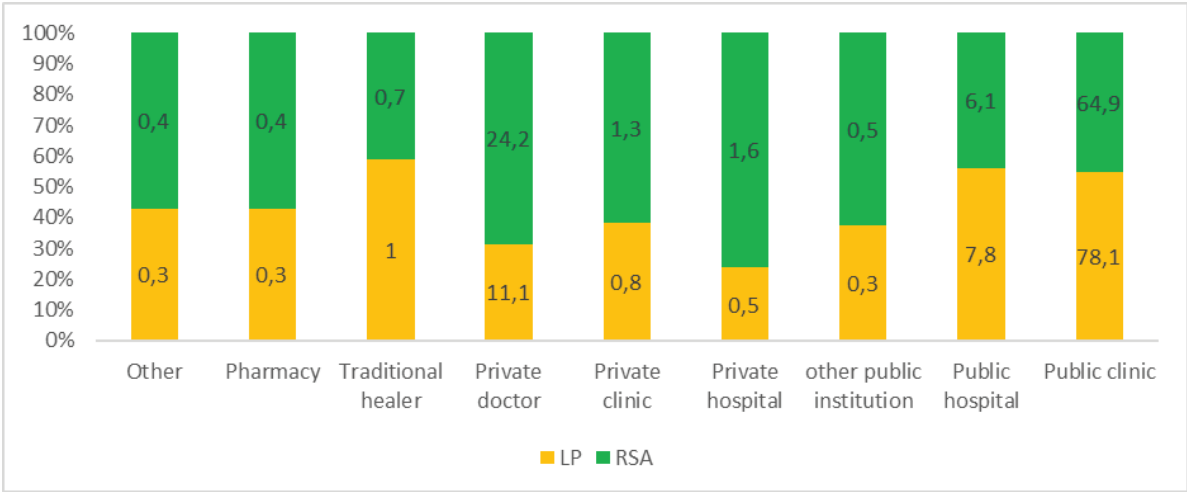
CHAPTER 5: SOCIAL SERVICES

5.1. Health

Health care services in the country are provided by both private and public sectors. The majority of South Africans rely on public healthcare facilities and therefore important that they are readily accessible. The lack of accessibility could affect the physical, social, and mental health status and quality of life of many people. The National government has also announced that the country is moving towards an integrated private and public health care system called the National Health Insurance (NHI) System. It is therefore of utmost importance that the public hospitals start to improve their service levels to that of their private counterparts.

5.1.1. Place of consultation

Figure 26: Percentage distribution of the type of healthcare facilities consulted first by households when members fall ill

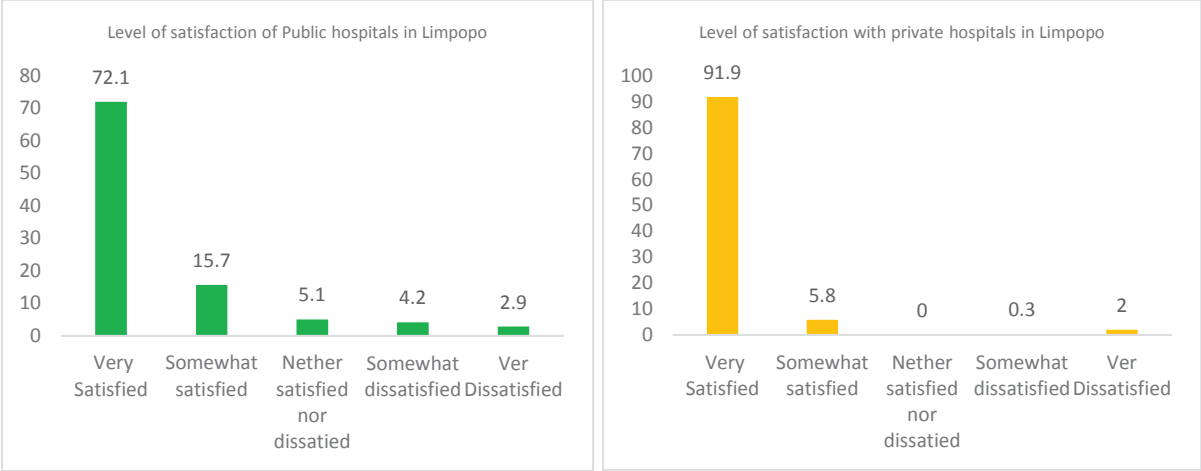


Source: StatsSA: GHS 2018

The above graph indicates the type of health-care facilities that are consulted first when household members fall ill or have accidents. Majority (78.1 percent) of the households consult public clinics at first instance, followed by consultation at private doctors at 11.1 percent, consultation at public hospitals at 7.8 percent. The latter is due to the fact that hospitals are a referral facility. Consultation at private clinics are

the fourth to be consulted at 0.8 percent, followed by private hospitals at 0.5 percent and other public institutions and pharmacies at 0.3 percent respectively. Only 1 percent of households said that they would first go to a traditional healer.

Figure 27: Limpopo level of satisfaction of public and private healthcare facilities



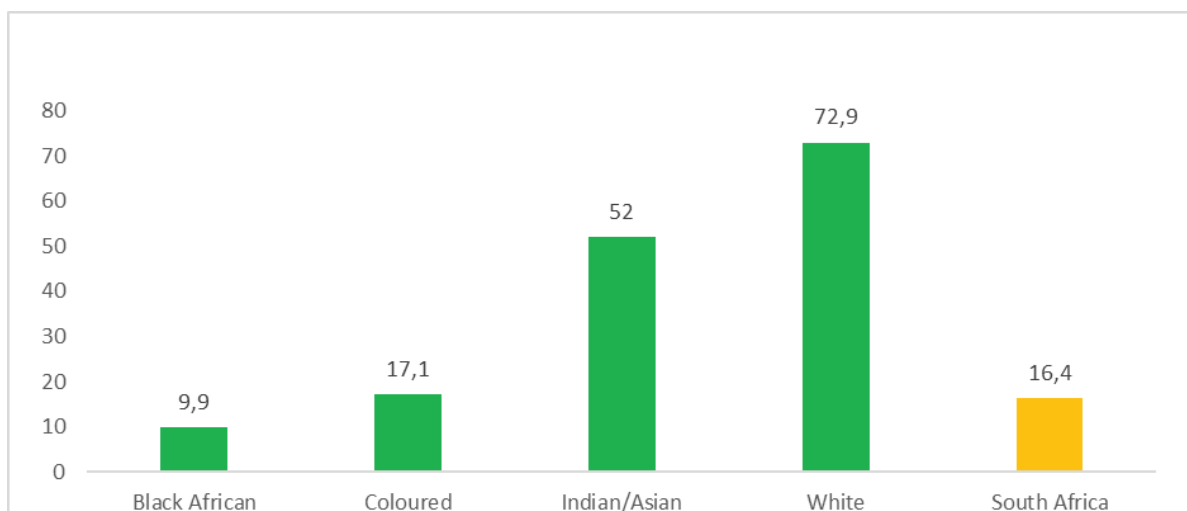
Source: StatsSA GHS 2018

Generally, the general household survey found that users of both the public or private hospitals are relatively very satisfied with services provided, about 72.1 percent of the public hospital patients where very satisfied with the services offered, while in the private sector the satisfaction rate was recorded a 91.9 percent. There are 2.9 percent of public hospital patients that are very unsatisfied with services rendered, which is relatively higher than that of the private hospitals which was only at 2.0 percent. The fiscal risk of unhappy customers is that it translates in increase in medical legal claims that may be lodged against the government. This poses a huge financial risk for the Provincial Department of Health. The total value of current contingent liabilities on medico-legal claims is R10.1 billion. The amount paid for medico-legal claims was about R46 million (recon in progress) as at 31 December 2019.

5.1.2. Medical Aid Coverage

A vast majority of the South African population are not covered by medical aid, out of 59 million of the total population in the country, only 16.4 percent are covered by medical aid and 83.6 percent of the population use public healthcare facilities. As indicated in the below diagram the white population has the highest percentage of medical aid coverage at 72.9 percent, followed by the Indian/Asian population at 52 percent and coloured population at 17.1 percent. By comparison, only 9.9 percent of Black African people are covered by medical aid.

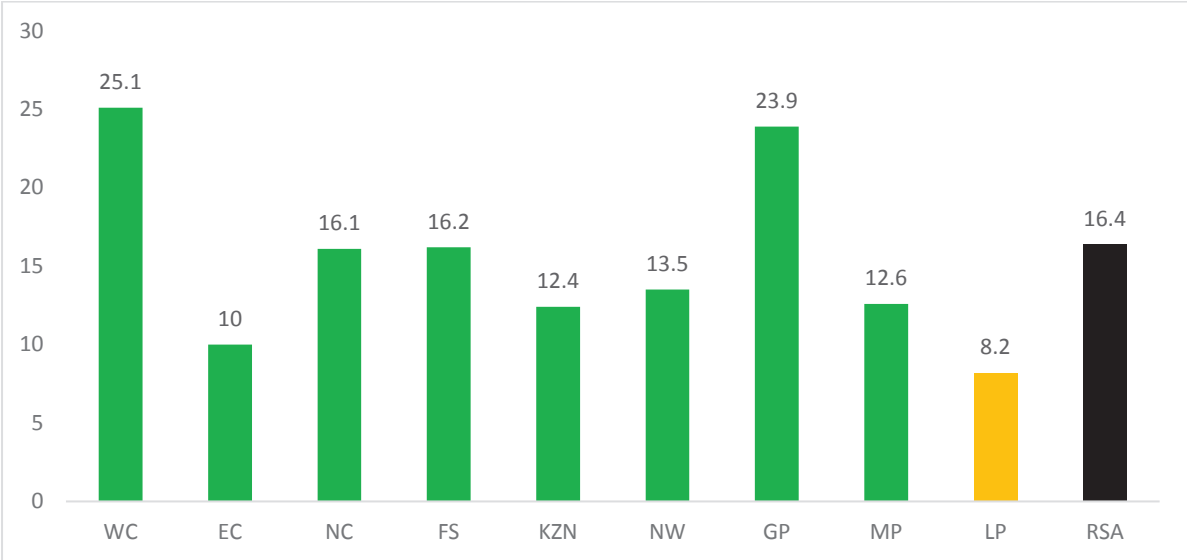
Figure 28: Medical aid coverage by population



Source: StatsSA GHS 2018

The below figure indicates that the Western Cape has the highest percentage of people who are covered by medical aid at 25.1 percent, followed by the Gauteng province at 23.9 percent and the Free State province at 16.2 percent. The Northern Cape at 16.2 percent, North West at 13.5 percent, Mpumalanga province at 12.6 percent, Kwa-Zulu Natal at 12.4 percent, Eastern Cape at 10 percent and Limpopo at 8.2 percent has the lowest percentage of people who are covered by medical aid. The low medical aid coverage in Limpopo puts immense pressure on the public health system as many patients will rely on public health care institutions for care. This further exerts fiscal pressure to channel resources from other investment spending to social services.

Figure 29: Medical aid coverage by population

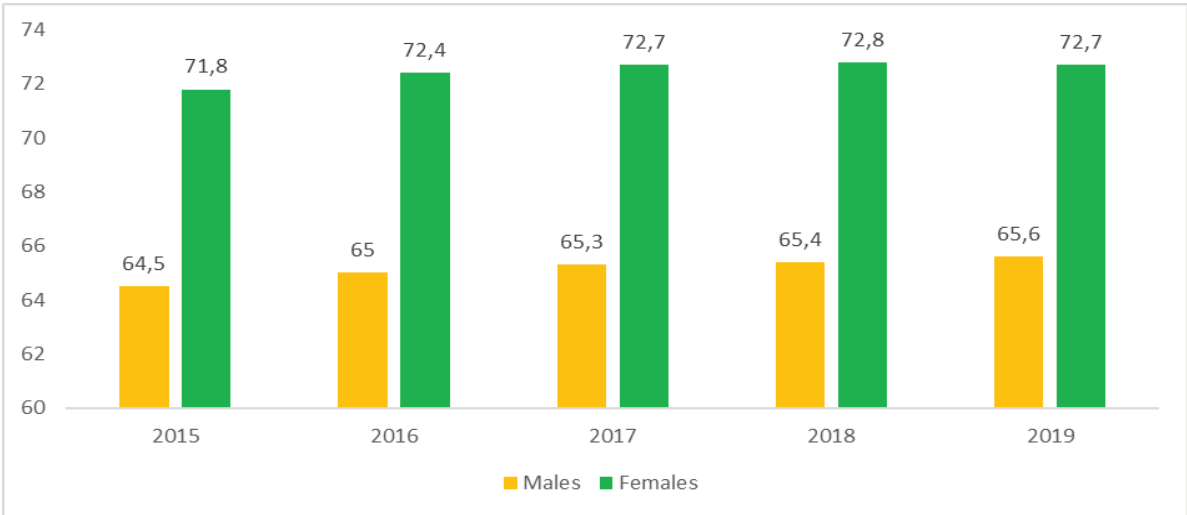


Source: StatsSA GHS 2018

5.1.3. Life expectancy

Life expectancy refers to the number of years a person is expected to live based on the statistical average. The life expectancy for a particular person or population group depends on several variables such as their lifestyle, access to healthcare, diet, economical status and mortality rates.

Figure 30: Life expectancy at birth without HIV/AIDS



Source: StatsSA Mid-Year population estimates 2019

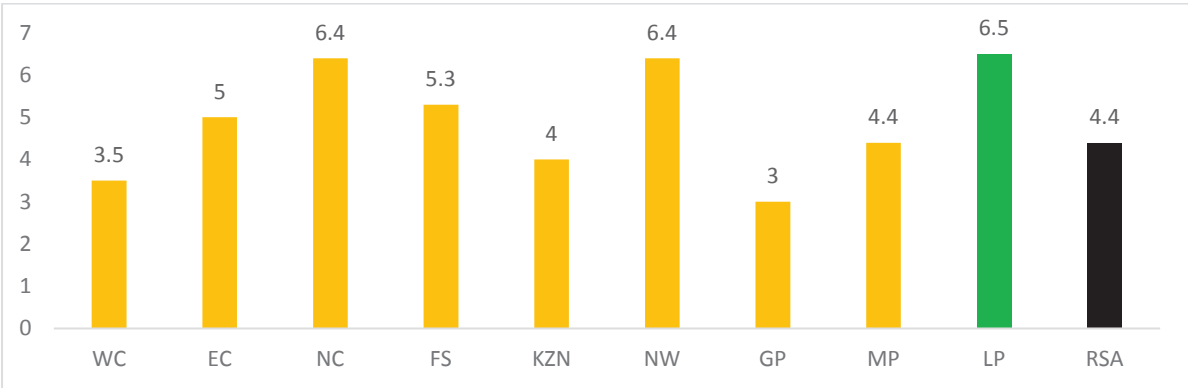
The above figure indicates life expectancy at birth without HIV/AIDS, as indicated on the figure life expectancy for males has been increasing from 64.5 in 2015 to 65.6 years. Life expectancy for females has also been increasing from 71.8 years in 2015 to 72.7 years in 2019.

5.2. Social development services

5.2.1. Disability

Individuals who are having some difficulty with two or more activities or have a lot of difficulty to perform one activity, are classified as disabled. In 2018 Limpopo recorded 6.5 percent of the population aged 5 years and older who were classified as disabled, which is the highest in the country, followed by Northern Cape and North West at 6.4 percent. The incident of caring for disabled people be it from a fiscus and infrastructure point of view is high in the above mentioned provinces. In the Free State 5.3 percent were classified as disabled, 5 percent in Eastern Cape, 4.4 percent in Mpumalanga. Gauteng has the lowest percentage at 3.

Figure 31: Individuals aged 5 years and older with disabilities (percentage)



Source: StatsSA GHS 2018

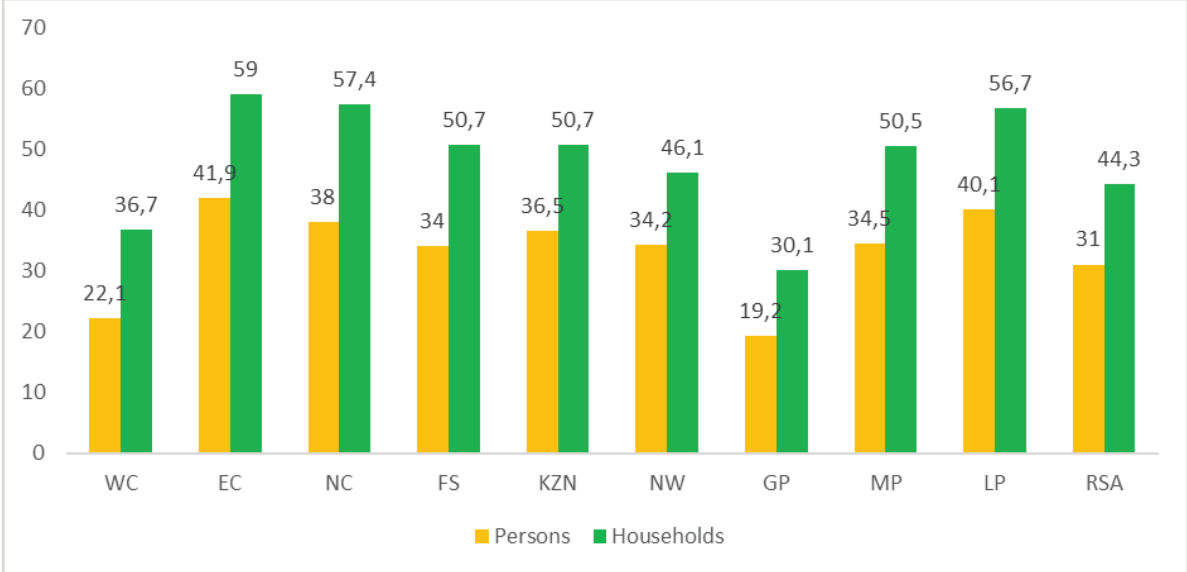
5.2.2. Social grant beneficiaries

The below graph indicates that Eastern Cape has the highest percentage of households who received social grants at 59 percent, followed by Northern Cape at

57.4 percent households. Limpopo province has 56.7 percent households who are benefiting from social grants. Gauteng province at 30.1 percent and the Western Cape at 36.7 percent have the lowest percentage of households receiving social grants.

In terms of percentage of individuals who received social grants per province, the Eastern Cape still has the highest at 41.9 percent, but now followed by Limpopo in second position with 40.1 percent and then Northern Cape at 38 percent. Western Cape at 22.1 and Gauteng at 19.2 have the lowest percentage of individuals receiving social grants.

Figure 32: Percentage of individuals and households who benefited from social grants 2018



Source: StatsSA GHS 2018

The Limpopo Department of Social Development mandate includes providing social services to the most vulnerable sectors of the provincial society, namely the children, women and people with disabilities. During the period 2018 and 2019 the Department continued to provide social welfare, children and families, restorative, and research and development services. Through the implementation of these programmes, in the financial years 2017/18 and 2018/2019 the Department has been characterized by improvements in the number of children accessing social relief services, Services to older Persons, Service to Persons with disabilities, HIV and AIDS and Social Relief.

Table 7: Limpopo 2017/18 and 2018/19 social welfare services

Sub Programme	2017/18	2018/19
Social Relief	13 330	13 800
Services to older Persons		
Number of residential facilities for older persons	8	8
Number of older persons accessing residential facilities	588	578
Number of older persons accessing community based care and support services	18 984	20 262
Service to Persons with disabilities		
Number of residential facilities for persons with disability	3	3
Number of persons with disability accessing residential facilities	294	294
Number of persons with disability accessing services in funded protective workshops	4 466	4 648
HIV and AIDS		
Number of organisations trained on social and behaviour change programmes	151	144
Number of beneficiaries reached through social and behaviour change	33 030	40 813
Number of beneficiaries reiving psycho-social support services	25 053	33 925
Social Relief		
Number of beneficiaries who benefitted from Department of Social Development social relief programs	13 330	13 805

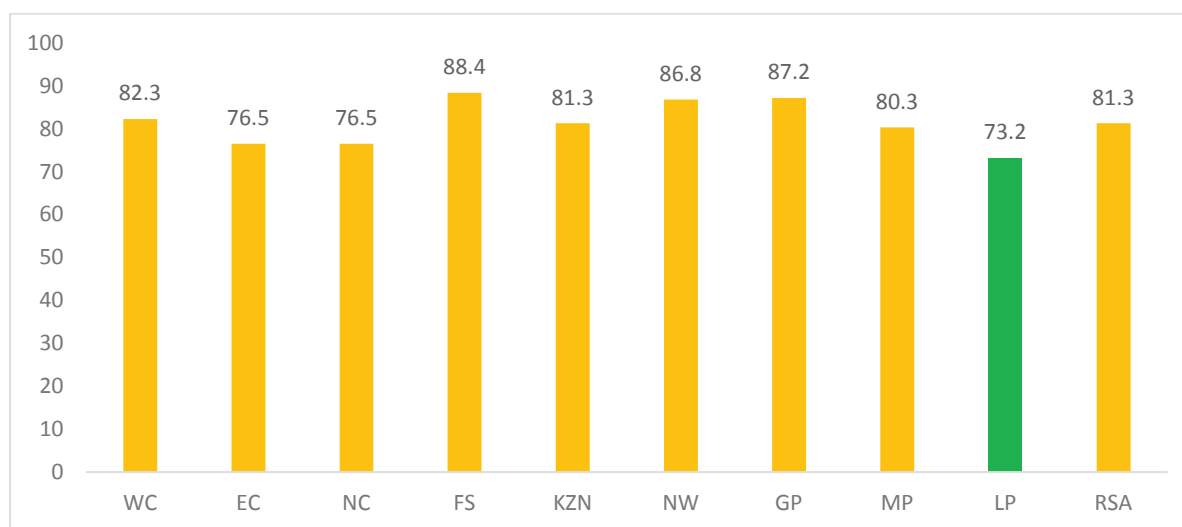
Source: Department of Social Development 2018/19 Annual Report

5.3. Education

5.3.1. Progress in terms of education

The national matric pass rate increased during 2019 with the overall pass rate for the first time exceeding 80 percent. The below figure indicates that the Free State province has the highest matric pass rate of 88.4 percent followed by the Gauteng province at 87.2 percent, North West at 86.8 percent, Western Cape at 82.3 percent, Kwa-Zulu Natal at 81.3 percent, Mpumalanga at 80.3 percent, Eastern Cape and Northern Cape at 76.5 percent respectively. Limpopo province attained 73.2 percent pass rate, which is an improvement compared to the 2018 pass rate of 69.4 percent. The pass rate in Limpopo is still lower than the target of 80 percent as set in the Limpopo Development Plan. Limpopo remains determined to improve the pass rate and achieve the set target.

Figure 33: SA 2019 Matric pass rate



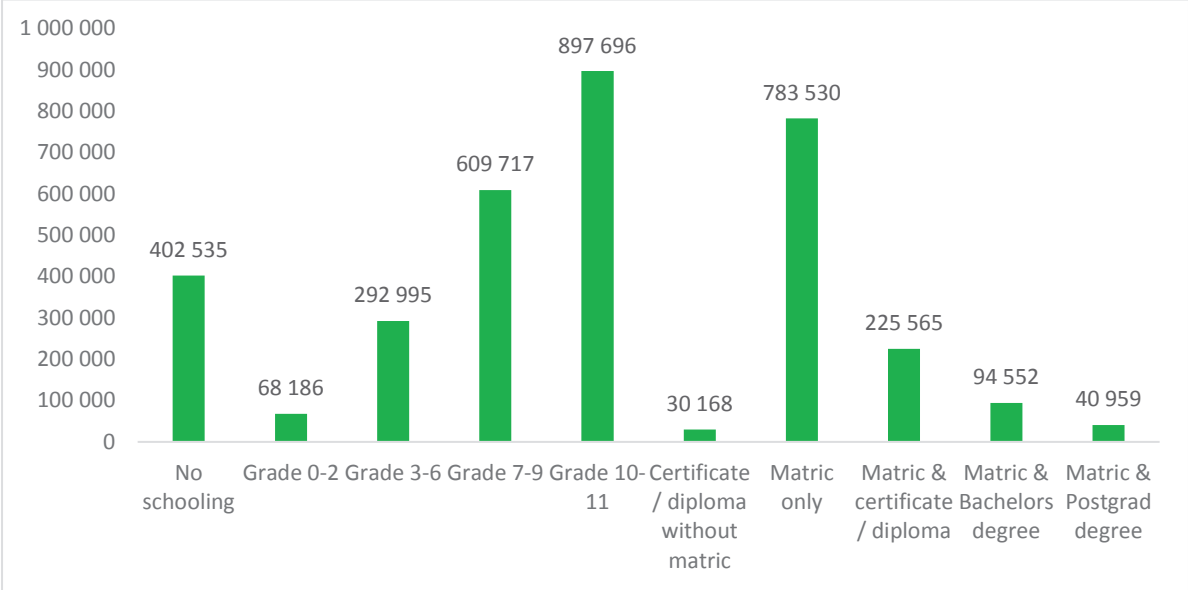
Source: Department of Basic Education

5.3.2. Limpopo highest level of education aged 20 and above

Limpopo province highest level of education for people aged 20 and above is dominated by people with Grade 10-11 at 897 thousand followed by those with Matric

only at 783 thousand and those with grade 7-9 at 609 thousand. The population aged 20 and above with matric and certificate/Diploma is at 225 thousand and those with Matric and Degree at 94 thousand, while those with matric and post grad Degree are at 40 thousand. Around 402 thousand of people aged 20 and above are found to be without any form of schooling.

Figure 34 Limpopo highest level of education aged 20+:



Source: IHS Regional Explorer 2018

5.3.3. Quality of the matric pass

A key challenge that is experienced in the educational system is the high number of dropouts between Grade 1 and Grade 11. The dropout rates increased dramatically in Grade 10 and 11 with the school children facing the challenges of passing subjects like mathematics and some of the schools holding weaker learners back to increase the pass rate of the school in Grade 12. In terms of evaluating the performance of a province in the Grade 12 examinations the measure of success should not only be the pass rate of the cohort writing the examination but also the throughput rate of children who started 12 years earlier in Grade 1.

Table 8: Throughput rate in the different districts

District	2018	2019
Capricorn	80	74
Vhembe	68	77
Mopani	61	65
Sekhukhune	65	66
Waterberg	51	51

Source: Limpopo Department of Education

5.4. Conclusion and recommendations

The South African and Limpopo healthcare system continues to be characterised by a dual system, where the majority of the citizens are continuing to use the public health care system which is over utilised and under resourced. The users of private healthcare facilities are more satisfied with services they receive, while those who are using public healthcare facilities are somewhat less satisfied. Majority of the black South African population are not covered by medical aid. It is recommended the National and Provincial Government fast track the implementation of the National Health Insurance in the province as this will help to minimise the gap and pressure on public health care provision.

Disability continues to be a challenge as the province continues to be faced with high number of disable people. It is recommended that the Department of Social Development continue to implement programmes that will ensure that the disabled people in the province are well taken care of and these programmes need to be more inclined to give these people more comfort in their place of stay, as well as creating centres where the elderly and disabled can be taken care of.

The quality of education in Limpopo province is a key variable in the efforts to address the triple challenge of poverty, inequality and economic growth. People with higher qualifications in general earn higher incomes. The education of women is especially important to address poverty in general. Higher skills levels will also be needed to

address the challenge of the fourth industrial revolution. The province made good progress in terms of education since 1996 with the number of people obtaining Grade 12. The challenge is now to ensure that these learners continue their tertiary studies at the local universities to increase the graduate and post graduate skills levels in the Province.

CHAPTER 6: HOUSEHOLD INFRASTRUCTURE

The common challenge in the Limpopo province is that it is largely a rural province and exhibiting unfavorable topographic features that make it difficult and relatively expensive to roll out bulk services including housing. The second challenge in the province is the large urban migration that puts immense pressure on the existing infrastructure that was initially designed for a limited population. This therefore amplifies service delivery challenges in the towns in the province amidst constrained financial capabilities.

6.1. Housing

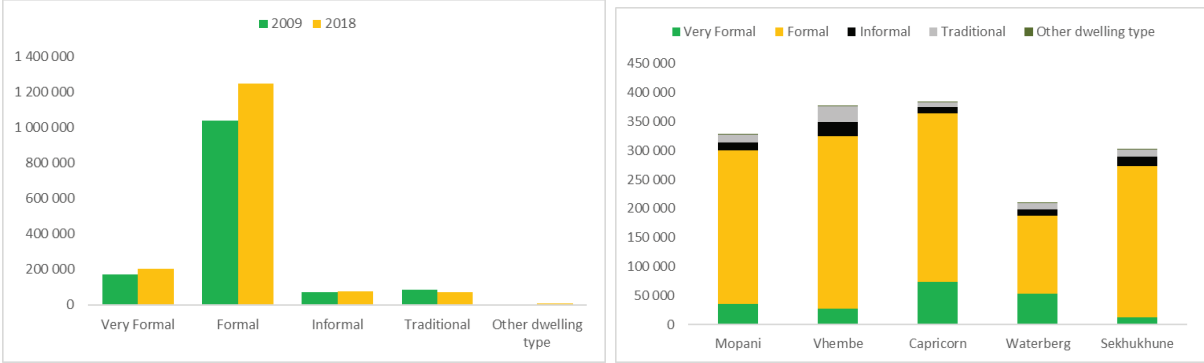
The Department of Human Settlement (DHS) ongoing policy review seeks to reinforce the shift from housing to human settlements, as envisaged in the Breaking New Ground strategy and Chapter 8 of the NDP. The emphasis is on creating integrated, mixed-use, mixed-income developments that support densification and the development of transport-oriented corridors, and provide access to housing, and social and economic amenities. The district development model will ensure that the integrated human settlement is achieved as the resources and plans of all spheres of government will be coordinated for maxim social benefit.

The province has made strides in reducing informal and traditional dwellings in the province. This was a combination of increase average household incomes that afforded people to build themselves decent homes and more importantly governments efforts in rolling out social housing for the poor households who under normal circumstances wouldn't be able to afford to erect a decent house for themselves. The number of households with formal dwelling in the province increased from 1.03 million in 2009 to 1.24 million in 2018. This also applies in the municipalities where the number of households with formal and very formal dwelling surpasses that of those in informal and traditional dwellings.

Capricorn and Waterberg have the largest households living in very formal dwellings sitting at 73 835 households and 52 784 households respectively. While Vhembe and

Sekhukhune districts have the largest number of households living in informal dwelling recorded at 24 thousand and 16 thousand households respectively. Although this number has been declining over the years, Mopani and Vhembe districts still have the largest number of households living in traditional dwellings recorded at 13 thousand and 27 thousand respectively.

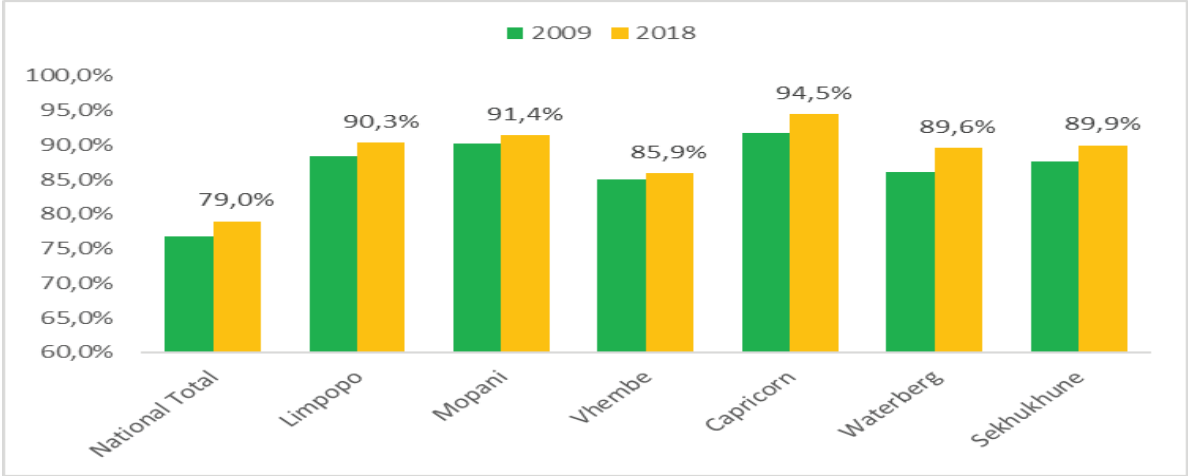
Figure 35: households by type of dwelling unit and by districts



Source: IHS Markit Regional eXplorer 1854 (2.6i)

The average share of households that occupy formal dwellings in the province (90.3 percent) is higher than the national average (79.0 percent). Capricorn district has the largest share of households occupying formal dwellings at 94.5 percent while Vhembe district has the lowest share at 85.9 percent.

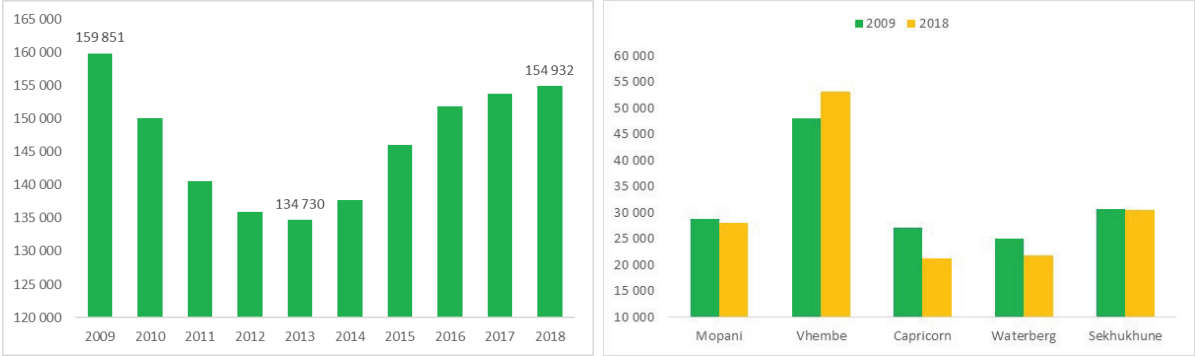
Figure 36: Share of household occupying formal dwellings



Source: IHS Markit Regional eXplorer 1854 (2.6i)

The housing backlog in the province has reduced from 159 thousand in 2009 to 134 thousand in 2013, but has increased to 154 thousand in 2018. The backlog is a function of organic population growth, inward migration and urbanization. The only district in the province that has experienced backlog growth is the Vhembe district, while districts such as Mopani, Capricorn, Waterberg and Sekhukhune has experienced a reduction in the housing backlogs.

Figure 37: Formal dwelling backlog - number of households not living in a formal dwelling and by districts



Source: IHS Markit Regional eXplorer 1854 (2.6i)

The development of housing for those who are living without a proper shelter can improve their lives as well as the local economy. This development project can be achieved in different ways: the local government can provide public housing for the poor, the individuals can also join a development program in which they assist each other in building the houses, or the non-profit organizations can develop affordable house units.

6.2. Water

Water is essential for life and for most activities of human society. Both economic and social development, and the maintenance of human health are completely dependent upon ready access to adequate water supplies. All societies require water both for basic survival and for economic development. Water resources are sources of water that are potentially useful. Uses of water include agricultural, industrial, recreational and environmental activities. The majority of humans uses require fresh water. 97

percent of the water on the earth is salt water and only 3.0 percent is fresh water; slightly over two thirds of this is frozen in glaciers and polar ice caps. The remaining unfrozen fresh water found mainly as groundwater, with only a small fraction present above ground or in the air. This leads to a situation where new businesses or households struggle to obtain water

From the below diagram, the water levels in the province have remained the same year on year recording 61 percent capacity. This is 1 percentage point lower than the national average of 62 percent. The challenge that is faced by the province is the shortage of drinkable water that needs to be reticulated to the relevant households. Due to topographic dynamics of the province, dispersed settlements and financial constraints of local municipalities, reticulation remains a consistent service delivery challenge.

Figure 38: Dam levels by provinces as at 03 February 2020

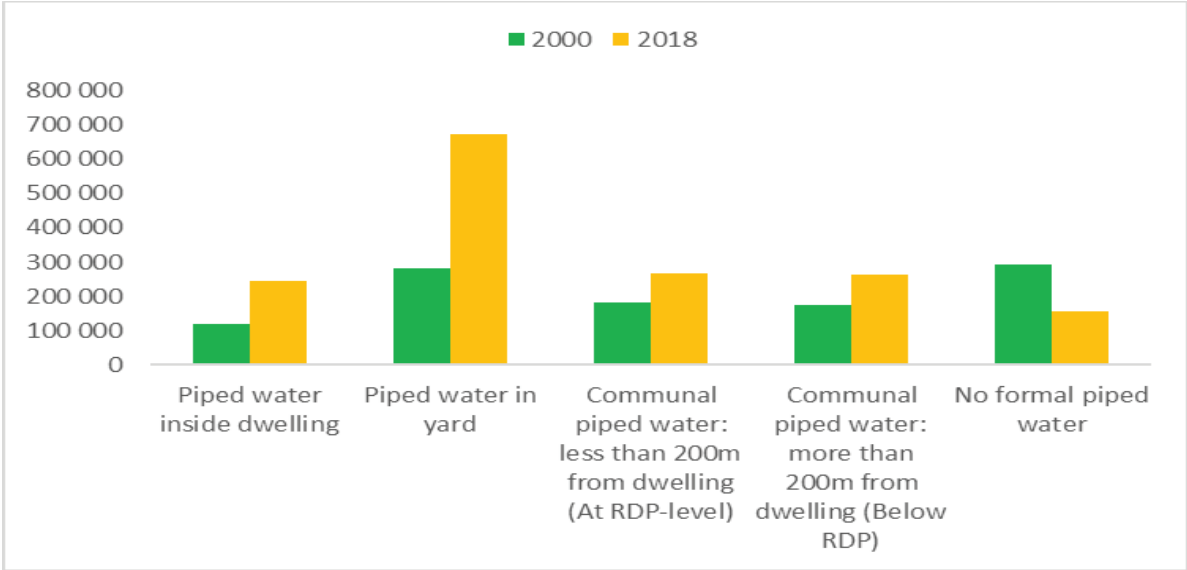
Province	Nett FSC million m ³	This Week (%)	Last Week (%)	Last Year (%)
Eastern Cape	1810	46	46	57
Free State	15653	69	69	70
Gauteng	128	103	103	94
Kwazulu- Natal	4784	58	58	55
Lesotho*	2363	23	22	31
Limpopo	1522	61	61	61
Mpumalanga	2539	74	75	68
North West	867	67	67	58
Northern Cape	147	74	76	63
Western Cape	1866	52	53	47
Total	31678	62	62	62

Source: Department of water and sanitation

Majority of the households, about 57.2 percent (246 thousand households), have access to piped water either inside the dwelling or in the yard. This is a milestone from the situation of a decade ago where it was only 25.0 percent of households. Those who have access to water through communal piped water amount to 16.5 percent (263

thousand households). While the households without formal piped water reduced from 292 thousand households in 2009 to 157 thousand households in 2018. Access to clean water improve the health of the citizens and with this the labour market becomes more productive and contributes more to the local economy. The availability of clean and sustainable water improves the health of people and may also reduce poverty, whether the water is used for drinking, domestic use, food production or recreational purposes.

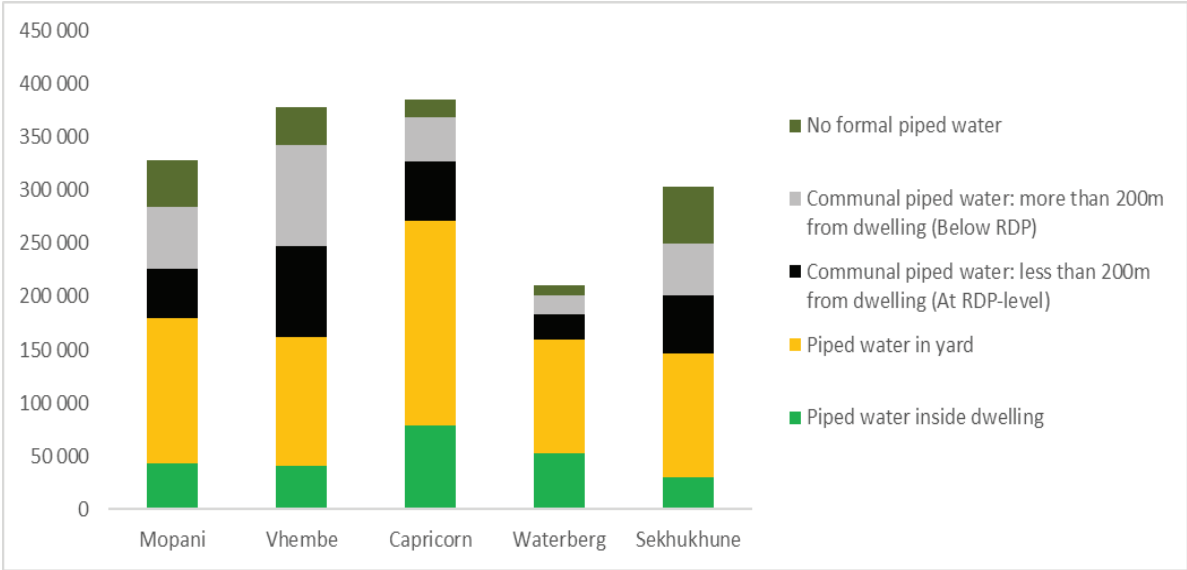
Figure 39: Number of households by level of access to Water



Source: IHS Markit Regional eXplorer 1854 (2.6i)

Sekhukhune district has the lowest number of households with access to water through piped water in the dwelling or in the yard, subsequently the district has the largest number of households without formal water access- likely fetching water through tankering, rivers or wells. The district with the largest number of households with access to piped water within the dwelling is Capricorn and Waterberg districts (78 thousand and 52 thousand households). While the number of households with access to water in the yard was greater in Capricorn and Mopani districts (191 thousand and 135 thousand respectively).

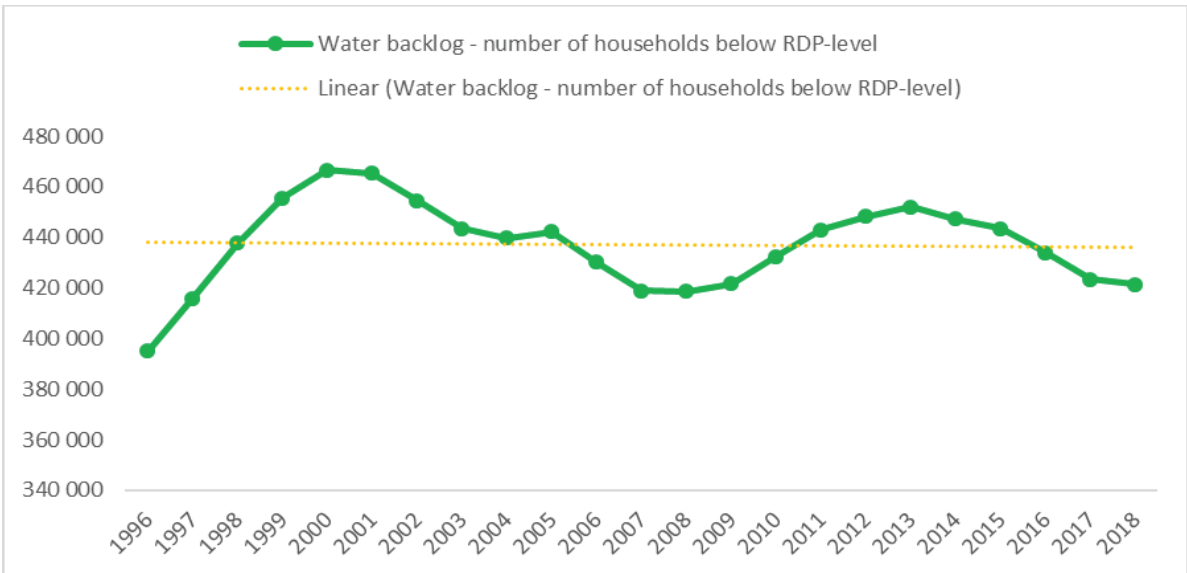
Figure 40: Water access by type and by district



Source: IHS Markit Regional eXplorer 1854 (2.6i)

The water backlog in the province is a serious concern and requires urgent attention, as lack of suitable water poses significant risks to many rural communities. Although the backlog has been decreasing in recent years, much still needs to be done in terms of reticulation. The number of households without formal water supply decreased from 451 thousand in 2013 to 421 thousand in 2018.

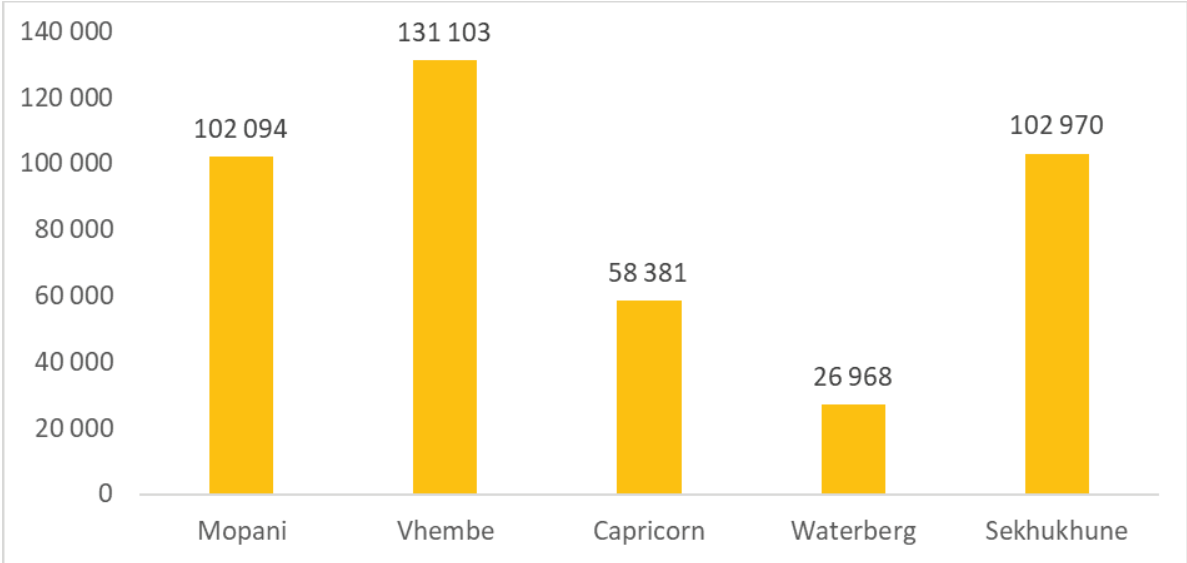
Figure 41: Water backlog - number of households below RDP-level



Source: IHS Markit Regional eXplorer 1854 (2.6i)

Over the years, Sekhukhune district has been the district with the lowest number of households with piped water in their yards. The provincial government needs to narrow the service delivery inequalities in the districts especially when it comes to basic services such as water services. Waterberg seems to be the district which is more developed followed by Capricorn district due to the process of re-using water. Re-use of wastewater, to recover water, nutrients, or energy, is becoming an important strategy that needs to be integrated in municipal planning framework.

Figure 42: Water backlog - number of households below RDP-level by district



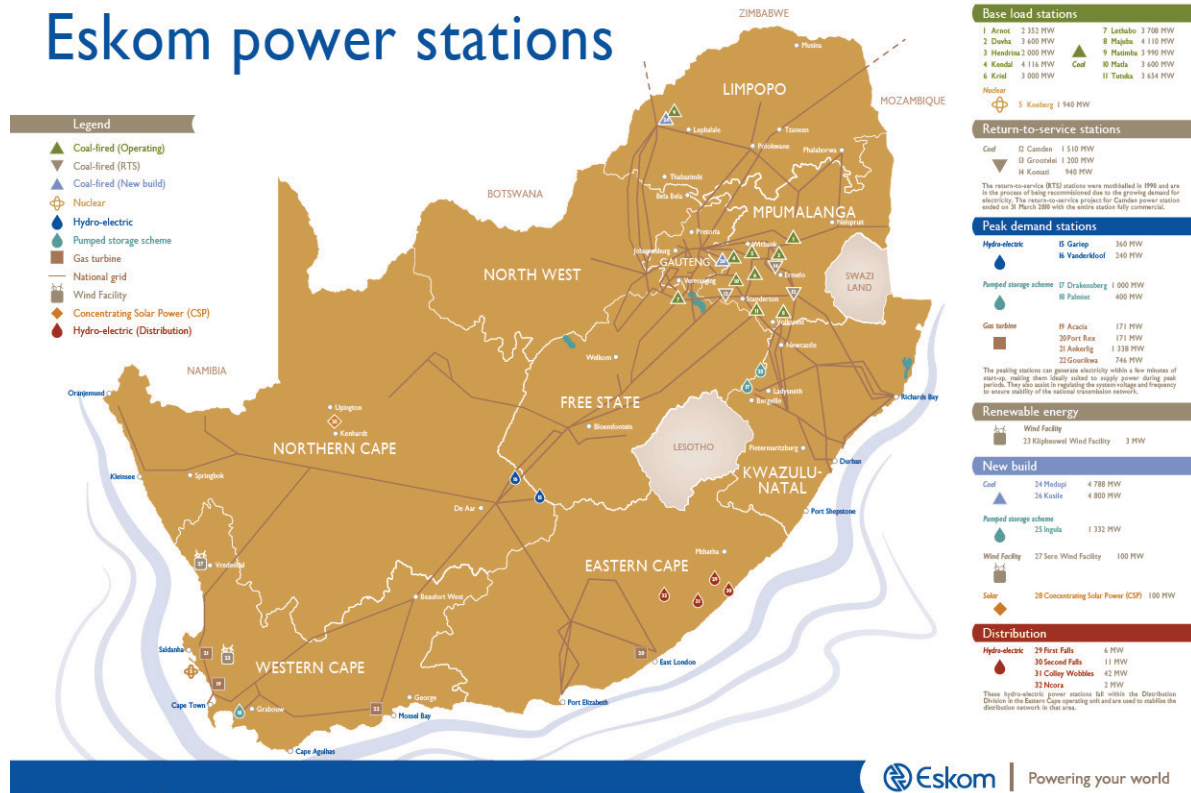
Source: IHS Markit Regional eXplorer 1854 (2.6i)

6.3. Electricity

Providing sufficient energy to meet the requirements of a growing provincial population with rising living standards will require major advances in energy supply and efficiency. Nowadays electricity has become the source of our daily lives. Eskom is the sole power generator authorized to distribute electricity in the country. The entity operates seventeen power station namely Arnot power station, Camden power station, Drakensberg pumped storage, Duvha power station, Gariep power station, Hendrina power station, Kendal power station, Koeberg power station, Kriel power station, Lethabo power station, Majuba power station, Matimba power station, Matla power station, Palmiet peaking (Durbanville), Simunye power stations, Tutuka power station,

Vanderkloof power station. Despite the available infrastructure, the power utility has been struggling to provide reliable electricity to the country due to aging and unmaintained infrastructure raising both a social and economic risk.

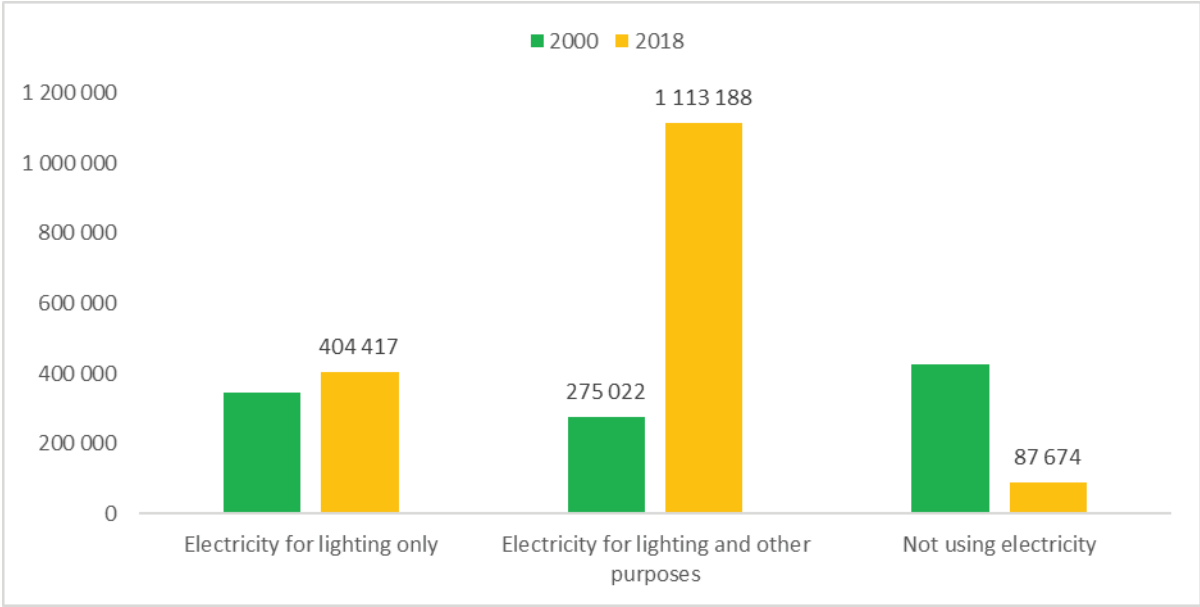
Figure 43: Eskom power stations



Source: Eskom

Despite the intermittent electricity supply, the South African government made significant strides in providing electricity to many households including those in marginalized rural settlements. In the province alone the number of households that have access to electricity for lighting only or for lighting and other purposes reached 1.5 million in 2018 (representing 94.5 percent of total households) from 0.6 million in 2000.

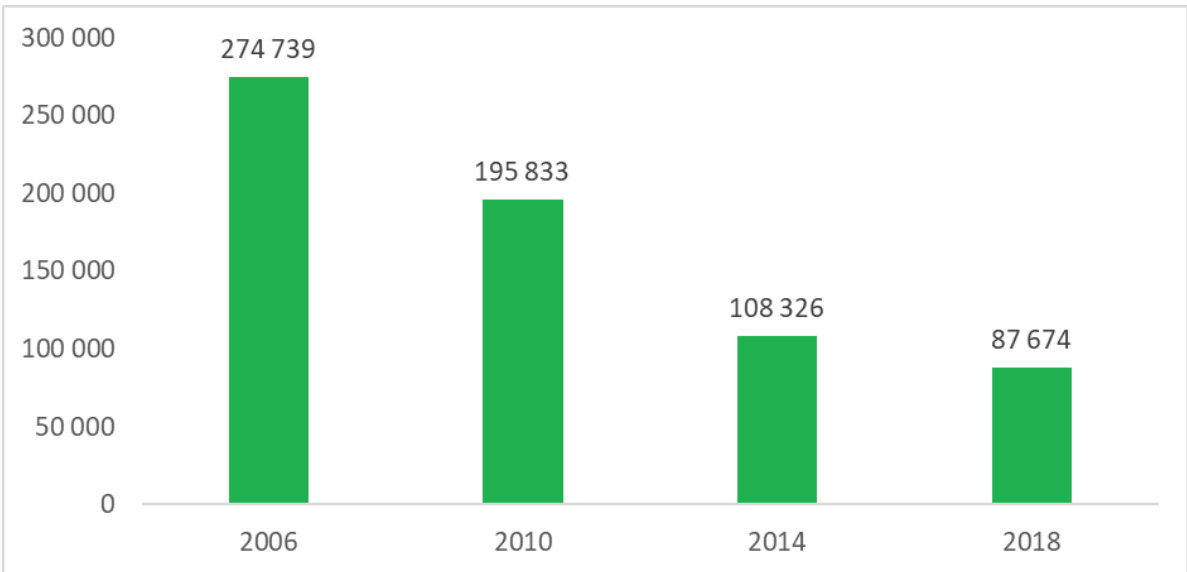
Figure 44: Number of households by electricity usage reached



Source: IHS Markit Regional eXplorer 1854 (2.6i)

The number of households without electricity has been on a steep decline as many households have been connected to the national grid. Due to migration and establishment of new settlements, the backlog will never be zero as developments are mushrooming on almost daily bases. Electricity backlog in the province declined from 274 thousand households in 2006 to 87 thousand households in 2018.

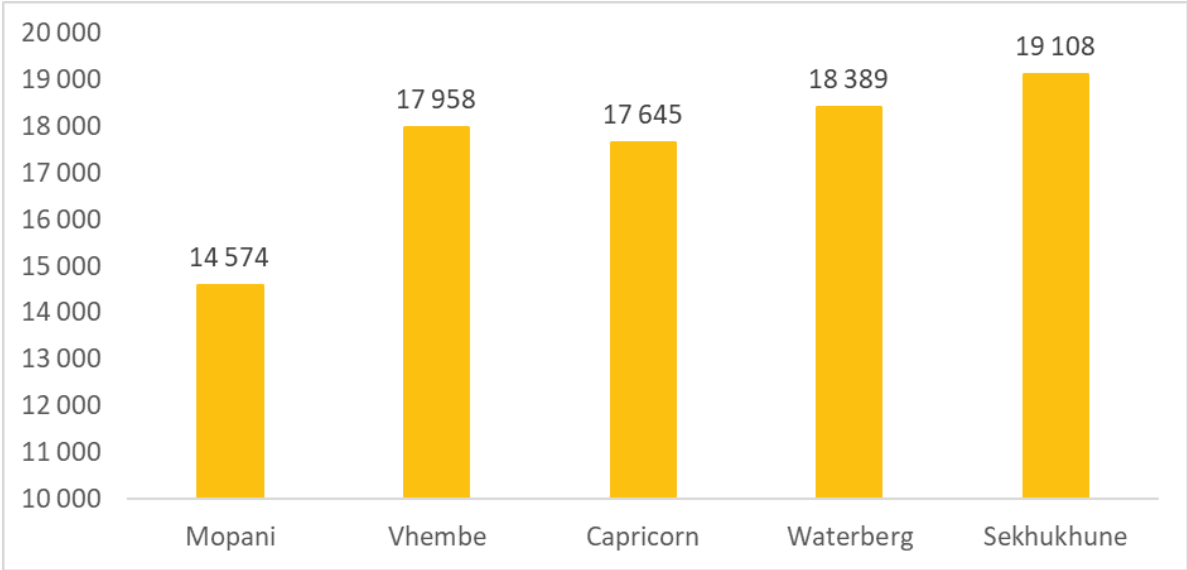
Figure 45: Number of households with no electrical connection



Source: IHS Markit Regional eXplorer 1854 (2.6i)

There is a general equal distribution of backlogs among the districts with the exception of Mopani district with the lowest number of households without electricity (14 thousand households).

Figure 46: Number of households with no electrical connection



Source: IHS Markit Regional eXplorer 1854 (2.6i)

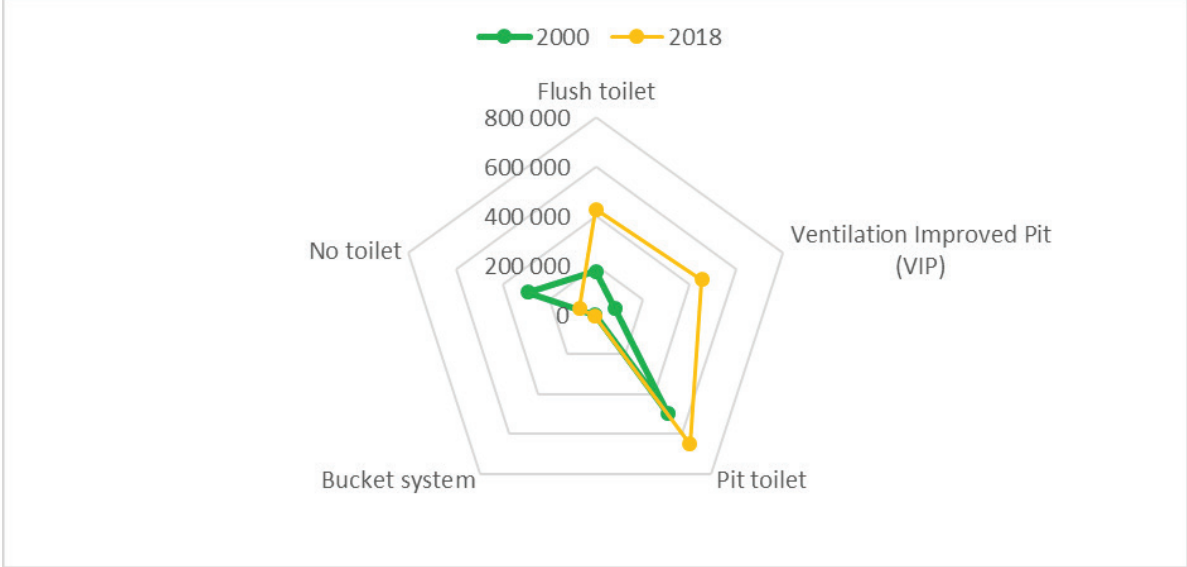
6.4. Sanitation

According to the United Nations, around 2.5 billion people in developing countries do not have access to basic sanitation. This is the cause of some of the biggest environmental and health problems facing people living in poor and rural communities, including water pollution and the transmission of diseases and infections. However, installing and operating sewage and wastewater treatment plants is expensive, making them unaffordable for rural provinces and municipalities. As a result, many regions in the developing world have opted for basic sanitation units.

The Limpopo government has made significant grounds in providing decent sanitation to the people of the province. The number of households with flush toilets increased from 172 thousand households in 2000 to 424 thousand household in 2018. This was complimented by the increase in the roll out of VIPs where about 452 thousand households where beneficiaries from 81 thousand households in 2000. The number

of households with no toilets has reduced to 69 thousand households in 2018 from 292 thousand households in 2000.

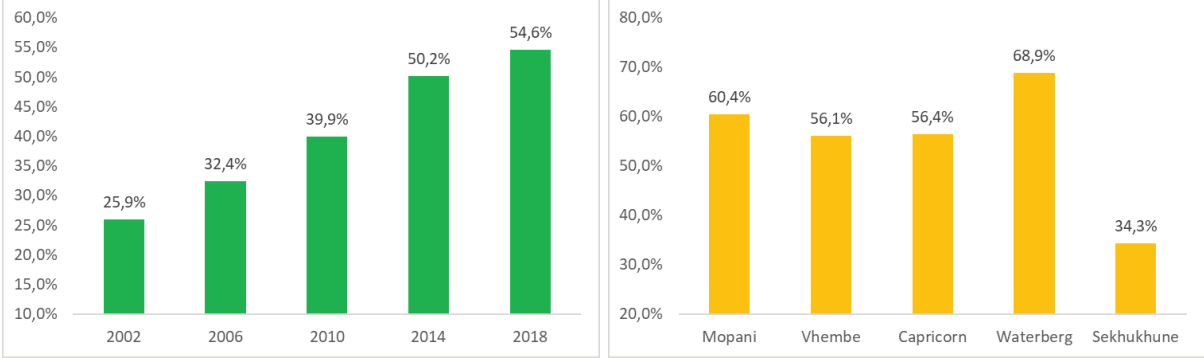
Figure 47: Number of households by type of Toilet



Source: IHS Markit Regional eXplorer 1854 (2.6i)

The share of households with hygienic toilets in Limpopo increased from 25.9 percent to 54.6 percent. Sanitation is a serious matter in the province particularly in rural regions. Bulk service provision in rural areas are a challenge as the innumerable areas are under traditional authorities that are not serviced by municipalities. Sekhukhune district has the lowest share of hygienic toilets.

Figure 48: Share of households with Hygienic toilets (%)



Source: IHS Markit Regional eXplorer 1854 (2.6i)

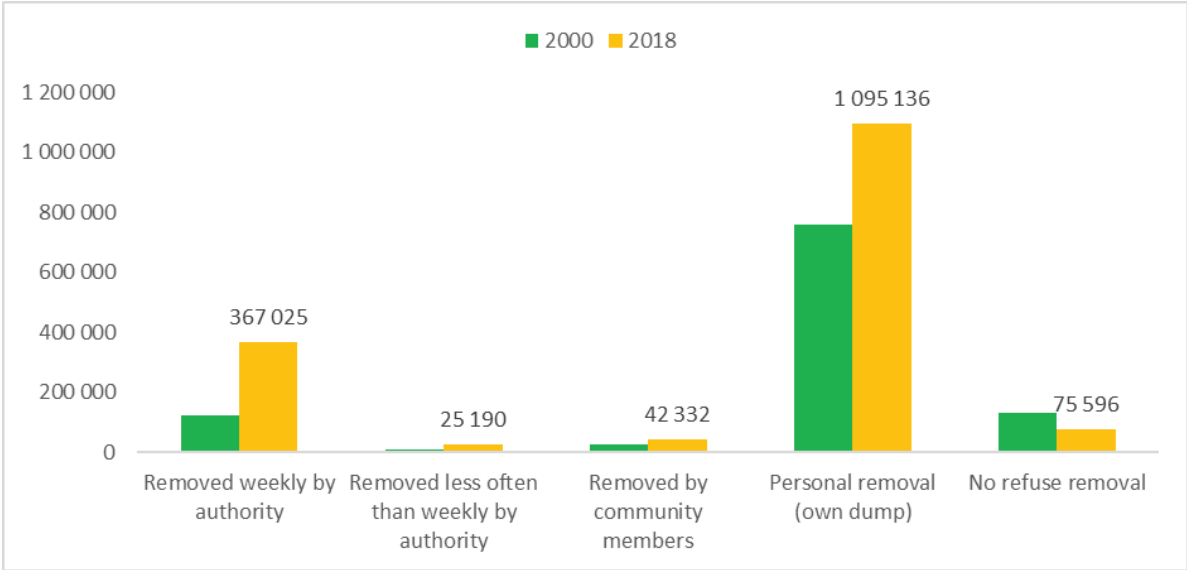
There is an ongoing sanitation crisis in the Southern African region and in the province in particular, with groundwater contamination causing serious health fatalities on a daily basis. Further, potable water is still often used for sanitation purposes, exacerbating already severe water shortages. Dry toilets are an alternative to improving the provision of decent sanitation in rural areas. The dry toilet is housed in a container and uses an evaporation and dehydration process that requires no pipes, drainage or flushing systems. The units are safe and effective, and also provide a dignified method of sanitation.

6.5. Refuse removal

Waste collection and rubbish disposal play an extremely important role in the global cleanliness and sustainability drive. Economic development, a growing population and increasing rates of urbanization in the province have resulted in increased waste generation which requires establishing and implementing effective waste management policies and programmes.

The majority of households in the province disposes of their garbage personally and that number has grown to 1.09 million in 2018. This poses a serious risk to the environment and places significant responsibility on the government to establish adequate dumping areas, educate people on methods of disposing garbage and develop economic opportunities in the sector to make cleanliness fashionable. It is encouraging to observe that the number of households without refuse removal is declining overtime, the affected number of households were 75 thousand in 2018.

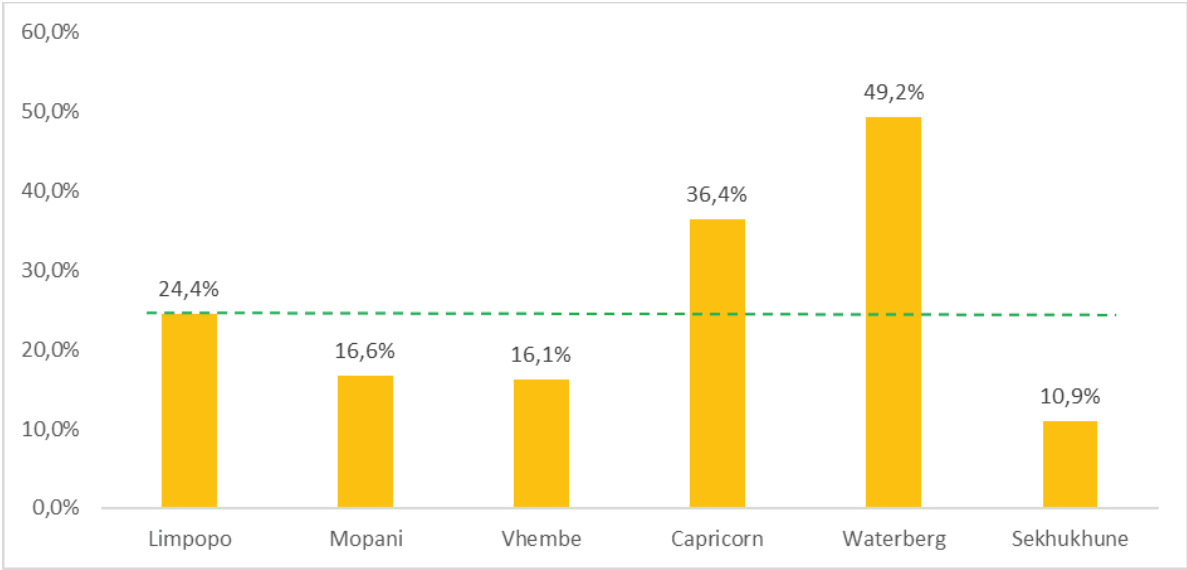
Figure 49: Number of households by access to refuse removal



Source: IHS Markit Regional eXplorer 1854 (2.6i)

The average share of households with refuse removal is 24.4 percent. This is partly explained by the fact that a considerable amount of households are situated on rural communal land that is not serviced by the local municipalities. Capricorn and Waterberg district have the largest share of households with access to refuse removal recorded at 39.4 percent and 49.2 percent respectively.

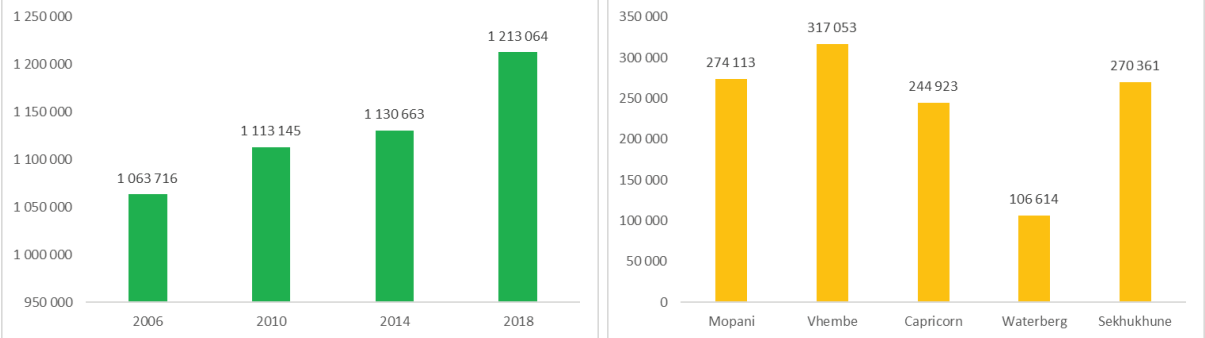
Figure 50: Share of households with formal refuse removal (%)



Source: IHS Markit Regional eXplorer 1854 (2.6i)

Refuse removal backlogs are growing steadily- this is due to increase in the population and mushrooming informal settlements. Refuse removal backlogs grew from 1.06 million households in 2006 to 1.21 million households in 2018. The share is relatively the same in all districts with the exception of Waterberg district because of the low household population.

Figure 51: Number of households with no formal refuse removal



6.6. Conclusion

One of the key features of a developmental state is to ensure that all citizens, especially the poor and other vulnerable groups, have access to basic services. The Constitution of the country places the responsibility on government to ensure that such services are progressively expanded to all, within the limits of available resources. This therefore requires government to research and develop innovative solutions that will assist them to service maximum households with the limited resources. Technology application can assist government to roll out these services economically and effectively.