

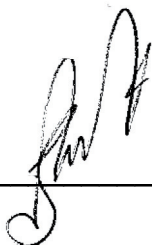
Foreword

The Provincial Treasury is elated to present the Socio-Economic Review and Outlook (SERO) of Limpopo Province. On yearly basis the government allocates resources to different departments and it is of great importance to gauge the impact that these resources have on the citizens of the province in terms of improving the living conditions of residents through the provision of basic services such as water supply, electricity, sanitation, and decent houses. The review assist government departments and municipalities in determining how far they are in in meeting government priorities.

The SERO is based on observing the achievements of government and identify developmental gaps in the society. The analytical insights will assist planners in developing befitting policy and strategy interventions that will generate maximum economic and social benefits. Given the high correlation between government spending and economic growth, it is therefore imperative that fiscal planning and budgeting is prudent and is informed by appropriate regional socio-economic analysis to guide resource allocation.

Understanding the structure of the province's economy will assist the provincial administration in channelling the resources into growth and employment stimulating sectors of the economy. Economic growth is unarguably the precondition of employment creation and economic development in any region. The fiscal policy sustainability is highly reliant on economic growth to maintain current expenditure and supporting infrastructure spending and social development.

As we are in the middle of the Medium Term Strategic Framework (MTSF) period and the implementation of the Limpopo Development Plan (LDP), this report will provide planners with socio-economic insights that are aimed at guiding resource allocation for the attainment of government predetermined objectives and programmes.



G Pratt

HEAD OF DEPARTMENT

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Abbreviations

AIDS- Acquired Immune Deficiency Syndrome
ARV- Antiretroviral
ASAP- African Solution for African Problems
BRICS-Brazil Russia India China South Africa
CPFs- Community Policing Forums
CSF-Community Safety Forum
DM-District Municipality
ECD-Early Childhood Education
EPWP-Expanded Public Works Programme
GDP-Gross Domestic Product
GHS-General Household Survey
GVA- Gross Value Added
HDI-Human Development Index
HIV- Human Immunodeficiency Virus
IP-Industrial policy
IMF-International Monetary Fund
LDP-Limpopo Development Plan
LED-Local Economic Development
LEDZ-Limpopo Economic Development Zone
LER -Learner Educator Ratio
LP- Limpopo Province
LTSM-Learner-Teacher Support Material
MTSF-Medium Term Strategic Framework
NDP - National Development Plan
NHI-National Health Insurance
NSNP-National School Nutrition Programme
PFMA -Public Finance Management Act
RDP- Reconstruction and Development Programme
SA-South African
SADC-Southern Africa Development Community
SERO-Socio-Economic Review and Outlook
SEZs-Spatial Economic Zones
SMMEs -Small Medium and Micro Enterprises

StatsSa-Statistics South Africa

SWOT-Strength Weakness Opportunities and Threats

TB-Tuberculosis

QLS- Quarterly Labour-Force Survey

1. Introduction

The slow growth in the economy of China and other developed countries has negative effect in the developing countries mostly within the African continent. This leads to slower than expected flows in imports and exports, reflecting weaker investment and manufacturing activity in these countries. These developments, together with market concerns regarding the future performance of the Chinese economy, are having spill-overs to other economies through trade channels and weaker commodity prices

Manufacturing activity and trade remain weak globally, reflecting not only developments in China, but also subdued global demand and investment more broadly, notably a decline in investment in extractive industries. In addition, the dramatic decline in imports in a number of emerging markets and developing economies is also weighing heavily on trade.

The real GDP at market prices for the third quarter of 2015 increased by an annualised rate of 0.7 percent, compared with a decrease of 1.3 percent during the second quarter of 2015. The main contributors to the increase in economic activity for the third quarter of 2015 were the manufacturing industry, finance, real estate and business services and the wholesale, retail and motor trade; catering and accommodation industry.

The South African population grew by 7.6 million in the past decade, a growth from 47.3 million in 2005 to 54.9 million in 2015, which represents population growth of 16.3 percent. Limpopo population is the fifth largest nationally sitting at 5.7 million in 2015, which rose from 4.9 million in 2004. In the last decade, the provincial population has been growing by an average of 1.3 percent per annum. The provincial population structure has changed significantly, tending to be very youthful, with female population dominating.

Increasing employment and poverty reduction remain key priorities of national and provincial government as articulated in National Development Plan (NDP) and Limpopo Development Plan (LDP), these plans asserts that employment in itself plays a crucial role in the self-esteem and self-actualisation of people, enabling them to reach their full potential as human beings.

2. Economic Overview

2.1. World Economy Outlook

In 2015, global economic activity remained subdued, while growth in emerging markets and developing economies still accounts for over 70 percent of global growth. A modest recovery continued in advanced economies, though not sufficient to boost aggregate demand. The gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services and lower prices for energy and other commodities continues to weigh down the global economy.

Table 1 World GDP Average annual growth (Constant 2010 Prices)

Country Group Name	Subject Descriptor	Units	2013	2014	2015	2016	2017	2018	2019	2020
World	GDP, constant prices	%	3.3	3.4	3.1	3.6	3.8	3.9	4.0	4.0
Advanced economies	GDP, constant prices	%	1.1	1.8	2.0	2.2	2.2	2.2	2.0	1.9
Euro area	GDP, constant prices	%	-0.3	0.9	1.5	1.6	1.7	1.6	1.6	1.6
Major advanced economies (G7)	GDP, constant prices	%	1.2	1.7	1.9	2.2	2.1	2.1	1.9	1.7
European Union	GDP, constant prices	%	0.2	1.5	1.9	1.9	2.0	1.9	1.9	1.9
Emerging market and developing economies	GDP, constant prices	%	5.0	4.6	4.0	4.5	4.9	5.1	5.2	5.3
Commonwealth of Independent States	GDP, constant prices	%	2.2	1.0	-2.7	0.5	2.0	2.4	2.5	2.5
Emerging and developing Asia	GDP, constant prices	%	7.0	6.8	6.5	6.4	6.3	6.4	6.5	6.5
Emerging and developing Europe	GDP, constant prices	%	2.9	2.8	3.0	3.0	3.4	3.3	3.3	3.4
ASEAN-5	GDP, constant prices	%	5.1	4.6	4.6	4.9	5.3	5.4	5.5	5.5
Sub-Saharan Africa	GDP, constant prices	%	5.2	5.0	3.8	4.3	4.9	5.0	5.0	5.1

Source: IMF, World Economic Outlook Database, October 2015

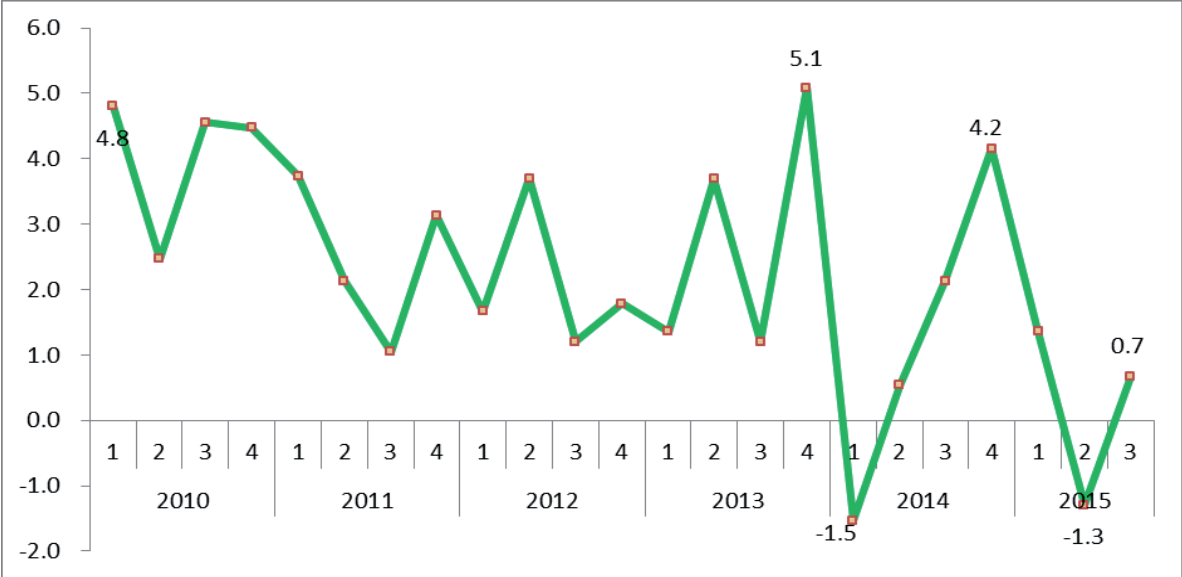
Generally, growth in China is evolving broadly as envisaged, but with a faster than expected decline in imports and exports, reflecting weaker investment and manufacturing activity. Overall, forecasts for global growth have been revised downward by 0.2 percentage point for both 2016 and 2017. Global growth is expected to grow at 3.6 percent in 2016 and 3.8 percent in 2017, while the sub-Saharan economy is expected to grow at 4.3 percent in 2016 and almost 5 percent in 2017. The revisions in the projections reflect to a substantial degree, but not exclusively, a weaker pickup in emerging economies than was forecast in October 2015. Prospects for global trade growth have also been marked down by more than 0.5 percentage point for 2016 and 2017, reflecting developments in China as well as distressed economies.

Due to the low aggregate demand of minerals and the despairing commodity prices, the South African economy will suffer unfavourable trade balance as one of the main export commodities are precious metals. Mining provinces such as Limpopo province will be suffer suboptimal mining production and marginal mine closures raising risks of loss of revenue and raise in unemployment rate.

2.1.1. South African Economic Outlook

This section will discuss economic performance of the South African economy mainly focusing on the performance of the economy in the third quarter of 2015. While the regional analysis will be based on the annualised data of 2014 due to data limitations.

Figure 1 South Africa Annualised percentage change in seasonally adjusted GDP



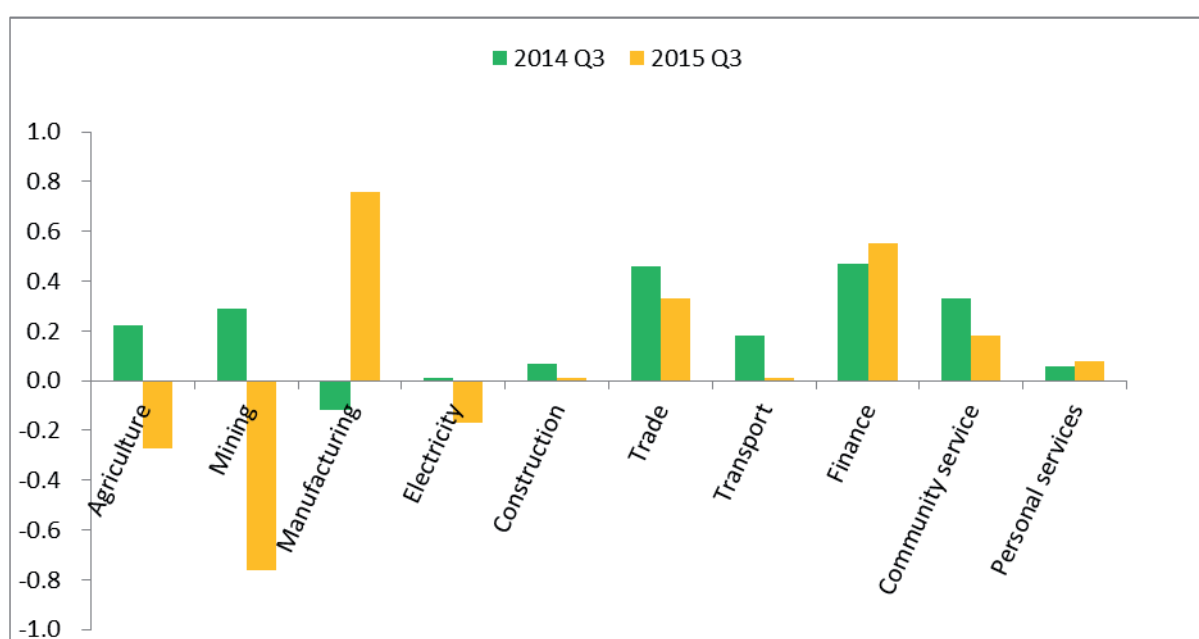
Source: StatsSa GDP Q3_2015

The seasonally adjusted real Gross Domestic Product (GDP) at market prices for the third quarter of 2015 increased by an annualised rate of 0.7 percent compared with a decrease of -1.3 percent during the second quarter of 2015. The positive growth aided SA by avoided sliding into a technical recession which is defined as experiencing of GDP decline over two consecutive quarters.

2.1.2. SA Contributions to the seasonally adjusted changes in real GDP

The main contributors to the increase in economic activity for the third quarter of 2015 were the manufacturing industry, contributing 0.8 percent, finance, real estate and business services contributing 0.6 percent and the wholesale, retail and motor trade; catering and accommodation industry contributing 0.3 percent. Negative contributions were recorded by the mining and quarrying industry contributing -0.8 percent and the agriculture, forestry and fishing industry contributing -0.3 percent.

Figure 2 SA Contributions to the seasonally adjusted annualised changes in real GDP

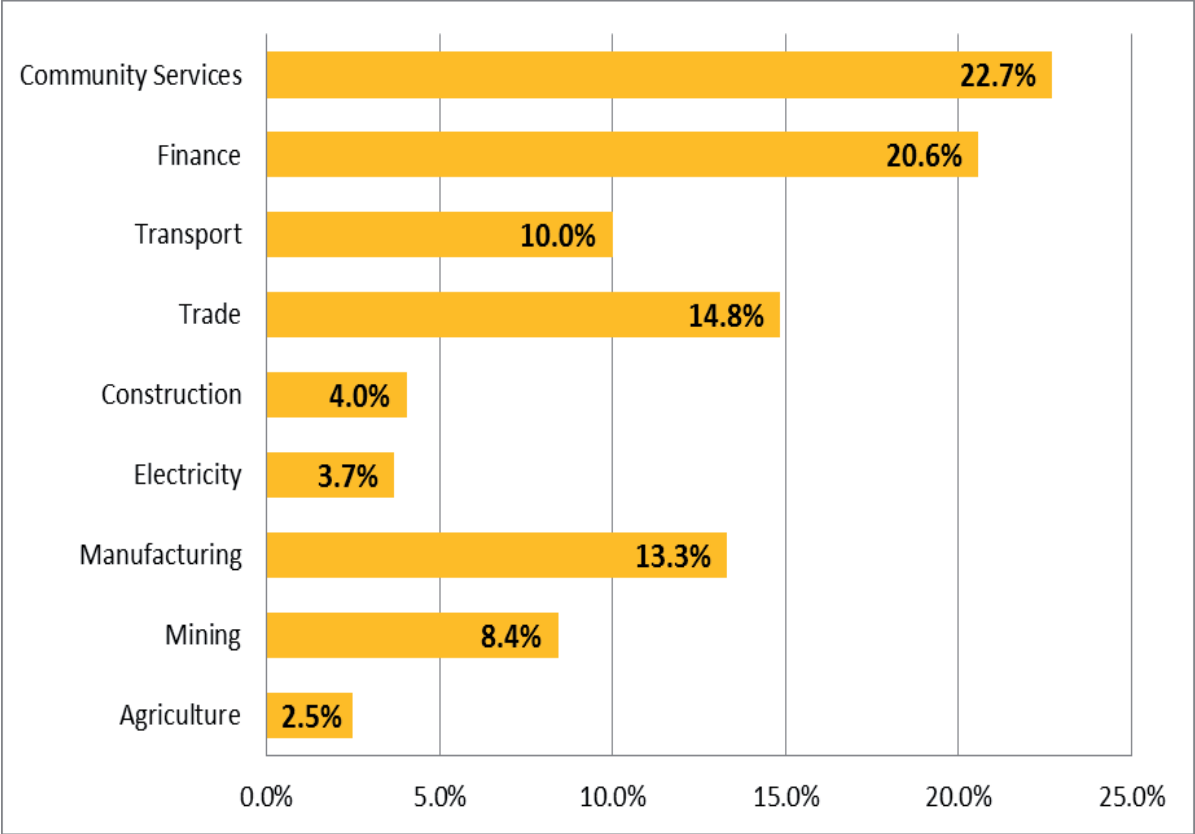


Source: StatsSa GDP Q3_2015

2.1.3. South Africa sector's percentage share of total GVA

The South African economy is mainly sustained by the Manufacturing, Finance and Trade sectors. In 2014 Community services and Finance contributed 43.3 percent combined, followed by Trade and Manufacturing which contributed 14.8 and 13.3 percent respectively. The least contributing sectors to the country's GVA were Agriculture and Electricity which contributed 2.5 and 3.7 percent respectively. It is imperative that the agricultural sector grow its contribution to the total national GVA to support food security and form a base for foreign currency earnings.

Figure 3 SA sector's share of regional total GVA (%)

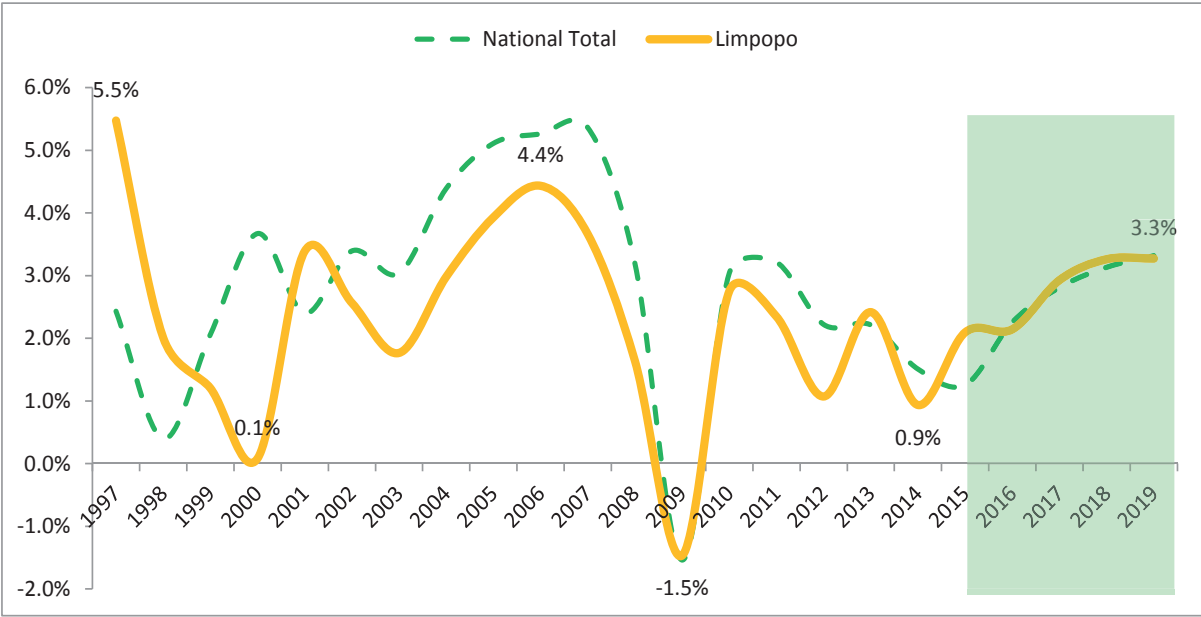


Source: Regional Explorer 2015

2.2. Limpopo Economic Outlook

The Limpopo's economy managed to maintain positive growth over the years with few exceptions. The local economy contracted significantly between 2006 and 2009, down-turn was largely influenced by global economic developments. The provincial economy suffered negative growth from 4.4 percent in 2006 to a low of -1.2 percent in 2009. Though the economy recovered from 2010, the growth was lacklustre as economic growth in 2014 was only 0.8 percent. Supply side constraints such as labour unrest, inconsistent electricity supply are also having a negative impact on the economic performance of the province. Albeit, the province is projected to grow up to 3.2 percent in 2019, on the assumption that world economic performance, particularly in developed economies, gains momentum.

Figure 4 Limpopo GDP Average annual growth (Constant 2010 Prices)

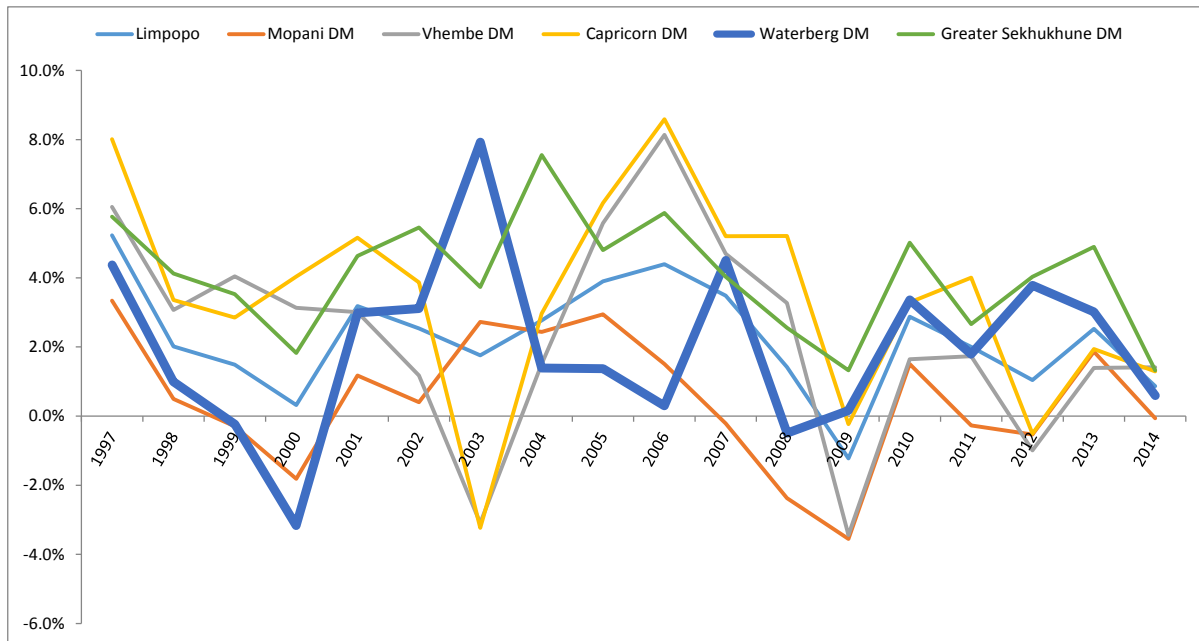


Source: Regional Explorer 2015

2.2.1. Limpopo GDP average annual growth

The districts’ GDP growth rates trends tend to follow a similar pattern with the provincial trend except for some few instances where some districts tend to be performing over the provincial average, for instance in 2003 Waterberg district at 7.7 percent was performing way above the other districts and the provincial at 2.6 percent average GDP growth. The same pattern in 2013 where Greater Sekhukhune at 4.9 percent and Waterberg at 3.3 percent are above the provincial average. In the past five years from 2009 to 2014 Vhembe district and Mopani district have been performing below the provincial average growth rate plummeting at -3.7 percent in 2009 although they both show signs of growth as we approach 2014.

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

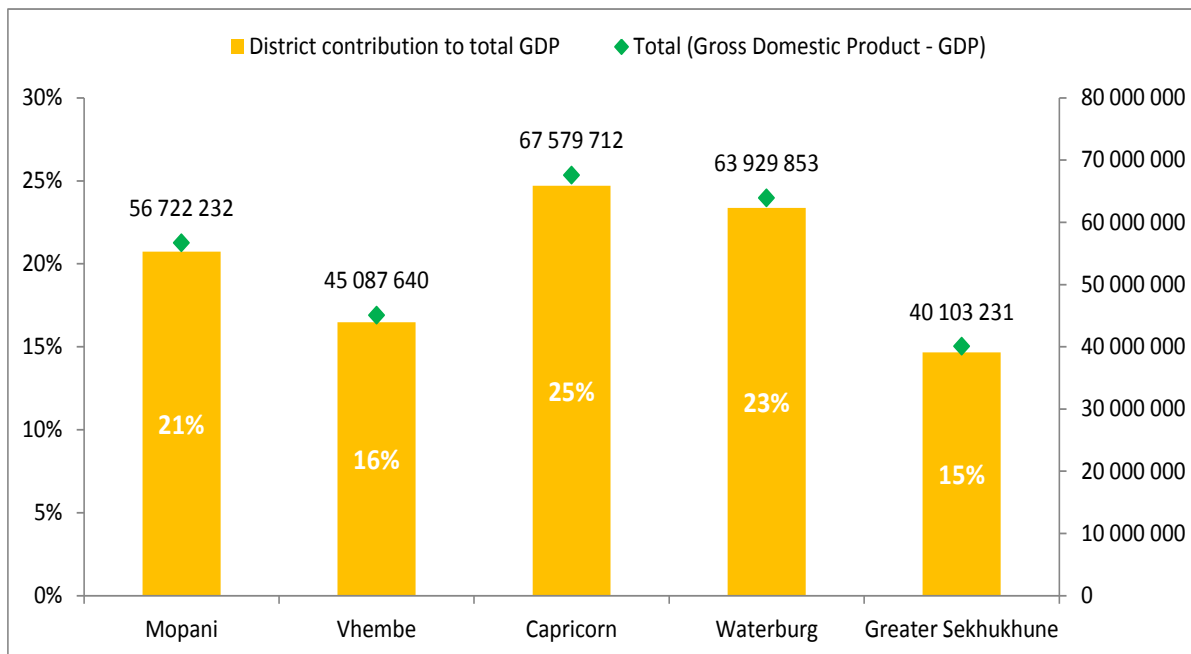


Source: Regional Explorer 2015

2.2.2. Limpopo GDP at Constant 2010 prices

The top three district municipalities namely Capricorn, Waterberg and Mopani make up 70 percent of the provincial economy. These economies are mainly supported by mining and community services sectors. Low beneficiation in this districts has locked economic growth in value adding sectors of the economy thereby suppressing the creation of local jobs. Local Economic Development (LED) interventions are necessary to propel growth in the less economically vibrant economies such as Greater Sekhukhune and Vhembe districts.

Figure 6 Limpopo GDP at Constant 2010 prices (R 1000)



Source: Regional Explorer 2015

2.2.3. Sector contributions by districts

Limpopo's economy is mainly driven by Mining Sector, Community services and Trade sector which contribute 27, 24 and 16 percent respectively in 2014. The mining sector's contribution to the local economy has been growing over the years from 15 percent in 1996 to 28 percent in 2014. This has therefore put mining at a strategic position in the local economy as it is one of the major employer in the province. Provincial government has plans of utilising the competitive advantage that is presented by growing the manufacturing sector through adding value to the raw materials in terms of developing Limpopo Economic Development Zone (LEDZ) as outlined in the LDP, and by so doing fuelling economic growth and job creation.

The least contributing sectors in the local economy are Agriculture, Manufacturing and Construction sectors which contribute 2.6, 2.6 and 3.5 percent respectively to the provincial GVA. These sectors need to be given more focus in the terms of industrialisation through agro-processing facilities and industrial policies to encourage manufacturing activity in the province. Growth of sustainable rural enterprises and industries characterised by strong rural-urban linkages, increased investment in agro-

processing, trade development and access to markets and financial services will result in rural job creation and thereby increase the sectors contribution to the province's economy.

Table 2 Limpopo Sector's share of regional total GVA (%)

Years	1996	1999	2004	2009	2014	2019
Agriculture	3.2%	3.0%	3.6%	3.2%	2.6%	2.5%
Mining	15.5%	20.3%	23.9%	28.4%	27.6%	25.4%
Manufacturing	5.4%	4.2%	4.2%	2.9%	2.6%	2.3%
Electricity	3.9%	3.1%	2.6%	2.6%	4.7%	5.4%
Construction	3.6%	2.5%	1.8%	4.0%	3.5%	4.1%
Trade	15.8%	13.8%	13.9%	15.7%	16.3%	17.3%
Transport	8.2%	8.4%	9.2%	5.1%	5.4%	5.6%
Finance	17.9%	16.5%	16.2%	15.5%	13.0%	13.3%
Community services	26.7%	28.3%	24.5%	22.5%	24.3%	24.2%

Source: Regional Explorer 2015

2.2.4. District Sector's share of regional total GVA

Mopani, Waterberg and Greater Sekhukhune district economies are prominently propelled by mining activity which contributes 35.7, 47.5 and 40 percent respectively. Greater Sekhukhune has seen mining sector grow from 18 percent in 1996 to 40 percent in 2014, while Waterberg's economy is 47 percent driven by the mining sector. This phenomenon raises significant risk of over reliance on a solitary sector, manifesting in high Tress Index.

Agriculture and Manufacturing are the least contributing sectors in all the provincial district economies due to low levels of industrialisation. Government's immense support towards Agriculture and Manufacturing will yield desirable results such as increased sector productivity. Manufacturing in particular exerts high multiplier effects that would lead to reduced unemployment rate and poverty levels in the province. Through deliberate macro-economic policy, the economy can successfully transform from a raw material extracting economy to a value adding and knowledge driven economy thereby increasing the revenue base to support the fiscal policy both provincially and nationally.

Vhembe and Capricorn's economy on the other side is largely characterised by high contribution from the community services sector contributing 32.9 percent each in 2014. This is mainly due to high concentration of education services and public administration activities in the two regions.

Table 3 District Sector's share of regional total GVA (%)

Economic Sectors	Mopani	Vhembe	Capricorn	Waterberg	Greater Sekhukhune
Agriculture	3.50%	3.00%	1.90%	2.90%	1.90%
Mining	35.70%	10.20%	5.50%	47.50%	40.00%
Manufacturing	1.80%	2.70%	3.40%	2.40%	2.60%
Electricity	7.40%	5.40%	2.70%	5.00%	2.60%
Construction	3.10%	4.80%	4.00%	3.20%	2.40%
Trade	13.10%	18.80%	22.40%	11.80%	15.20%
Transport	4.60%	6.50%	7.00%	4.50%	4.10%
Finance	10.70%	15.70%	20.30%	7.70%	9.90%
Community services	20.10%	32.90%	32.90%	15.00%	21.30%

Source: Regional Explorer 2015

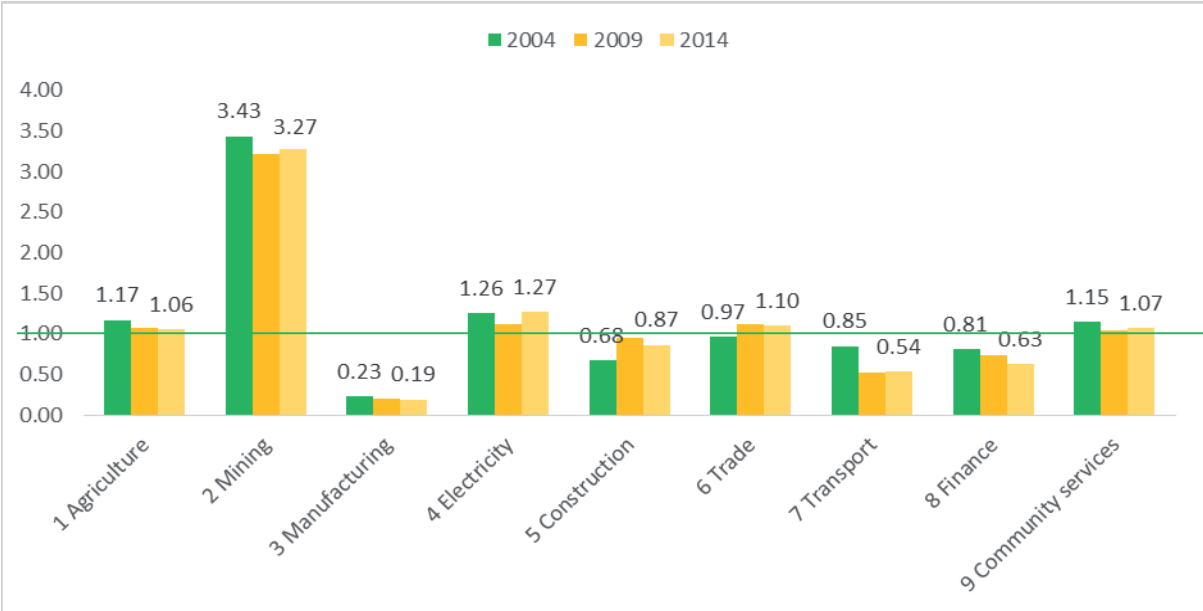
The provincial government can improve the local economy by minimising the risks to economic growth by ensuring among other things averting supply side constraints such as electricity shortages, arresting labour protests and providing high standard infrastructure. Through prudent fiscal policy, government can support economic growth by ensuring vigorous expenditure on economic infrastructure is accelerated and maintained. Empirical research has proven positive correlation between public infrastructure development and economic growth.

2.3. Location quotient

Location quotient is an important indicator of economic development. It examines the economy in terms of its comparative and competitive advantages so as to determine where or which active sectors does a place have advantages on. A location quotient larger than 1 shows a comparative advantage for a particular sector in the province compared to the same sector in the national economy.

Limpopo province has a significant comparative advantage in the Mining sector. In 2014, the mining location quotient was recorded at 3.27 point. The province further enjoys comparative advantage in Electricity, Trade, Community services and Agriculture, although it is in the decline. Although the province does not have comparative advantage in certain productive sectors, however there is locked potential for growth and employment creation in key strategic sectors like Manufacturing, Finance, Transport and Construction.

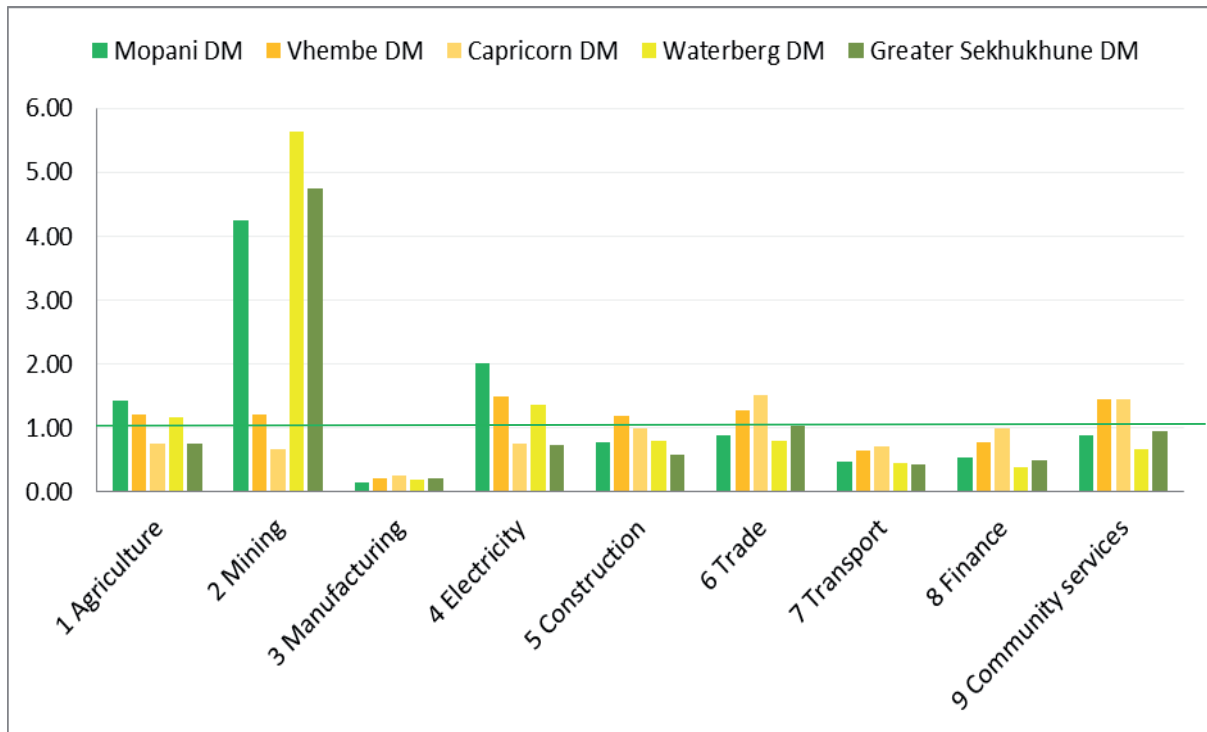
Figure 7 Limpopo location quotient by sectors



Source: Regional Explorer 2015

The figure below shows the location quotient for the nine sectors in the five district municipalities in Limpopo province for the year 2014. It is apparent that Waterberg, Greater Sekhukhune and Mopani have significant comparative advantage in the mining sector recording 5.64 point, 4.75 point and 4.24 point in 2014. This means that the districts can relatively extract minerals at cost effective and efficient way as compared to the other districts and have high natural endowments. Other comparative advantages are in Agriculture and Electricity for Mopani, Vhembe and Waterberg districts. Vhembe and Capricorn enjoy comparative advantage in Trade sector and Community Services sector.

Figure 8 Districts Location quotient by sectors 2014



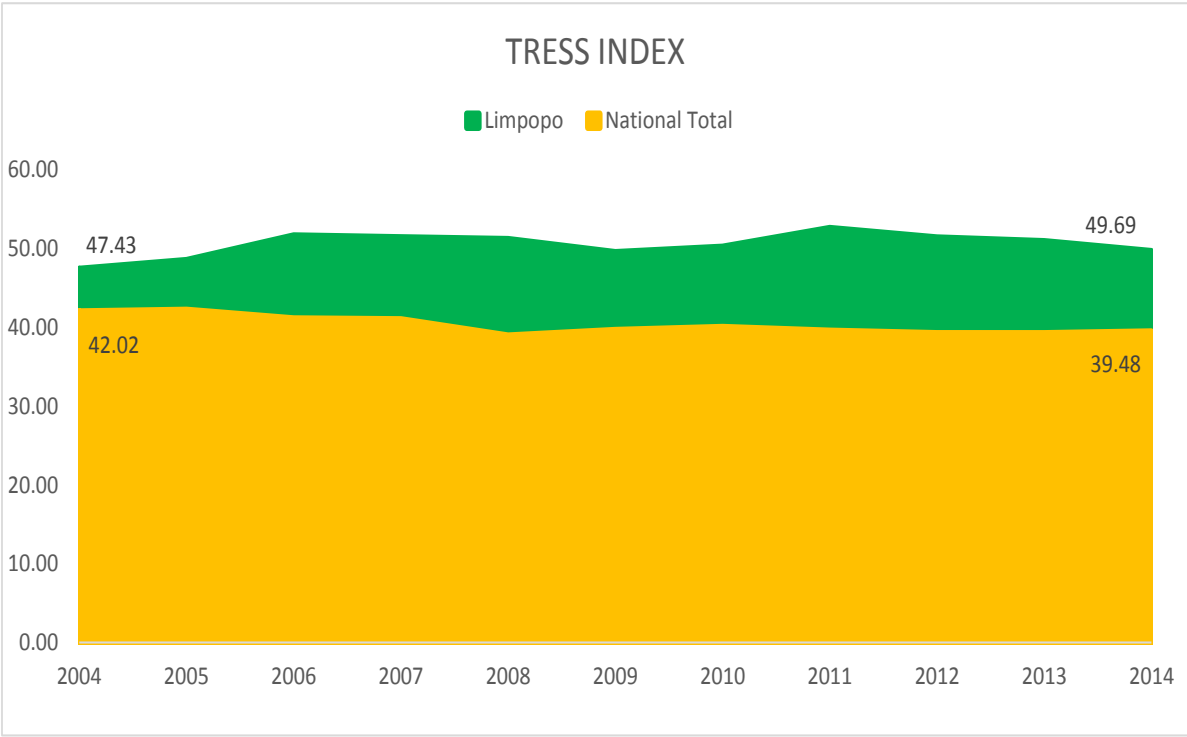
Source: Regional Explorer 2015

2.4. Tress Index

In order for the economy to perform sustainably, it is imperative for it to create a well-balanced economic structure which is denoted by a good Tress Index. The index is a measure of the level of diversity in an economy. It is often given as a score between 0 and 100. The closer the index is to 0 the higher the level of concentration. The higher the concentration of the economy in one sector the lower the index and the greater the risk of poor integration.

The provincial Tress Index was recorded at 47.4 in 2004 which is higher than the national Tress Index of 42.0. The provincial Tress Index has deteriorated from 47.4 in 2004 to 49.7 in 2014 This is indicative of low degree of diversification in the provincial economy. While the national index strengthened slightly from 42.0 in 2004 to 39.0 in 2014 comparatively, attesting to the national diversified economic structure.

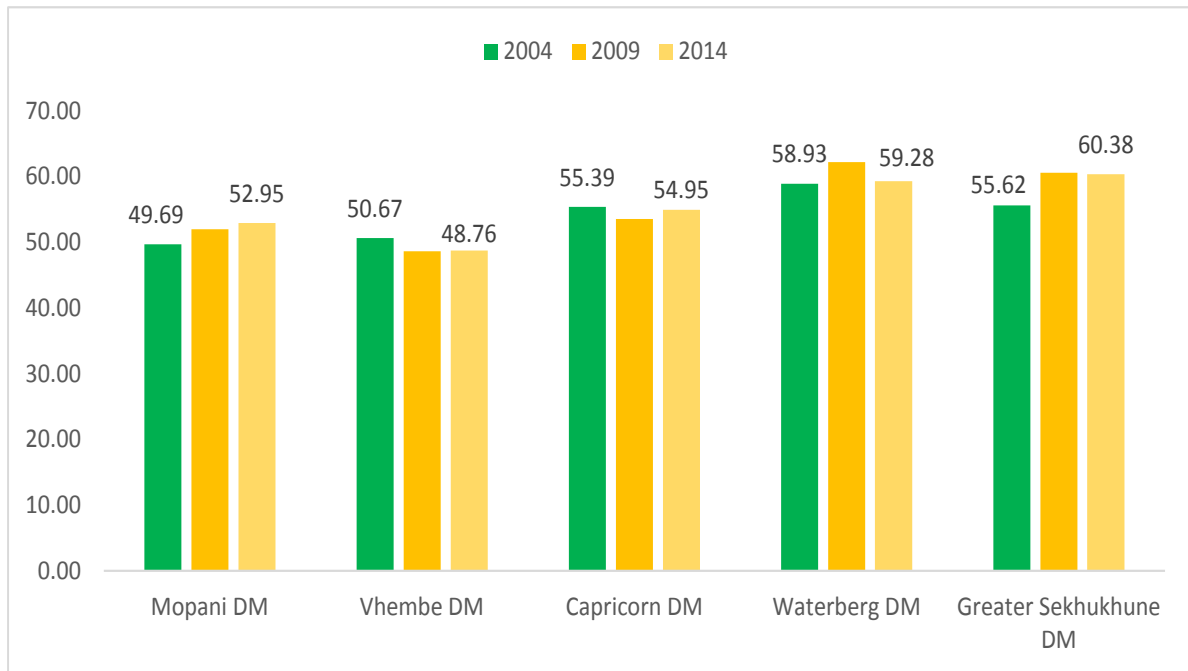
Figure 9 Tress Index in Limpopo province



Source: Regional Explorer 2015

The most diversified district economy at a district level is Vhembe, which had its overall Tress Index reducing from 50.7 in 2004 to 48.8 in 2014. However, more needs to be done to explore economic potential in other sectors of the district economy. Other districts recorded high tress indices that are on average above 50.0 indicating dominance of one particular sector in each respective economy. Capricorn district is dominated by Community Services while other districts are dominated by mining sector and other mining related activities.

Figure 10 Tress Index by district



Source: Regional Explorer 2015

2.5. Policy Imperatives

Manufacturing is a core sector in terms of employment creation and will lead to sustainability in the provincial economy in terms of curbing unemployment. Growth of sustainable rural enterprises and industries characterized by strong rural-urban linkages, increased investment in agro-processing, trade development and access to markets and financial services will result in rural job creation and thereby increase the sectors contribution to the province's economy.

Economic reforms the provincial government can pursue include among other things:

- Increase exports particularly on value added commodities from the mining and agricultural sectors in terms of agro-processing. This can be done through taking advantage of the African markets such as the SADC countries.
- Support SMMEs through better coordination of relevant agencies, development finance institutions, and public and private incubators. Furthermore, the reduction in costs of regulatory compliance will help SMMEs

minimise the cost of doing business in the province. This can be supplemented with investment incentives.

- Grow the foreign direct investment appetite in the province. Greater investment marketing will need to be done particularly among the BRICS countries.

2.6. Conclusion

As the world economy remains distressed, world trade in terms of exports and imports will remain repressed thereby affecting developed countries which rely of raw material exportation for growth. Stimulating South African economy will not be achieved through stimulus fiscal and monetary policies but creation of new markets for exports and attracting foreign Direct Investment (FDI). The provincial economy is susceptible to the low aggregate demand for minerals due to the mining sector being one of the major contributors to the local economy's GDP. Economic policies such as Industrial Policies (IPs) become relevant to promote industrialisation and spurring local economic growth.

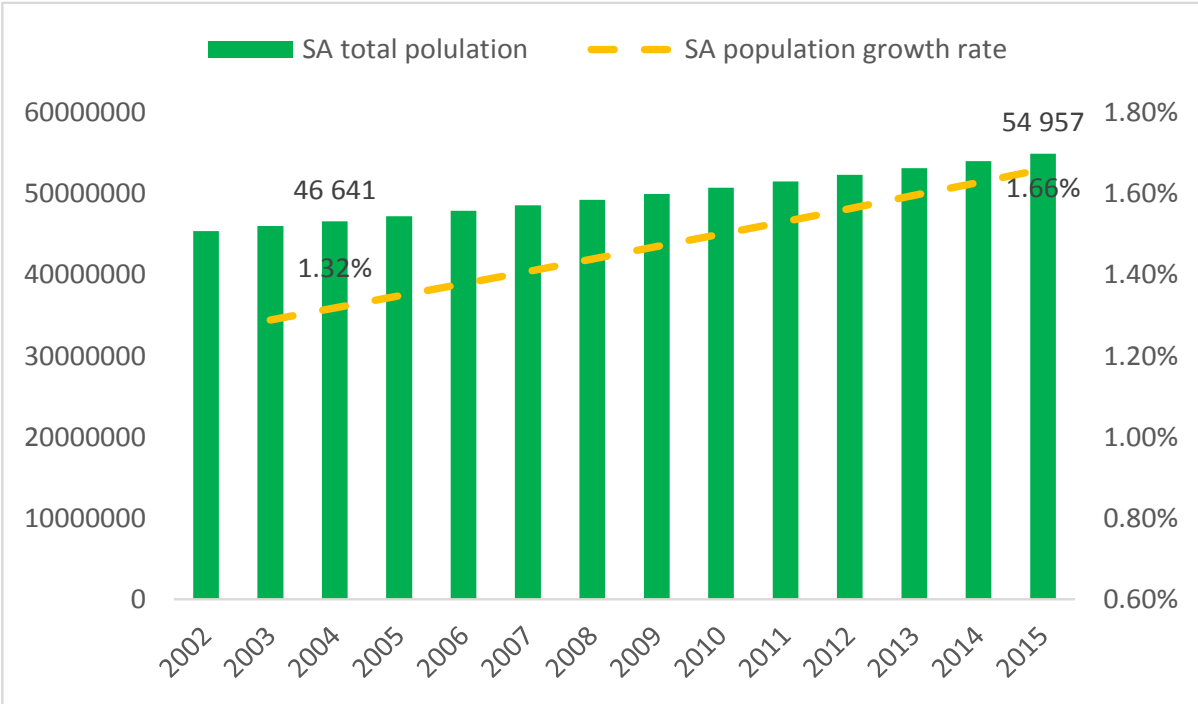
3. Demographic profile

3.1. SA Population

This chapter will focus on the demographics of the South Africa with special focus on Limpopo province and its districts municipalities. This is of great importance in terms of government planning because if demographic trends such as the size and structure of a province’s population are understood the government planning aspects become simpler and informed. Public sector investments that are guided by such information range from employment, education, health-care and infrastructure development. Where policy interventions are informed by current and projected demographic profiles then programmes to improve health, education and skills can be properly targeted, and the appropriate services and infrastructure can be provided.

The South African population is rising gradually from 49 million in 2004 to 54 million in 2015. The annual average population growth rate was 1.6 percent in 2015.

Figure 11 SA population and population growth rate



Source: StatsSa Population Estimates 2015

The average national population growth rate is 1.3 percent and the growth rate is gradually increasing. In 2015, the population growth rate was recorded at 1.7 percent. Positive net international migrations, particularly from the Southern African Development Community (SADC) countries has contributed to the increase in the national total population. Population growth can stimulate economic growth through augmented aggregate demand for goods and services which in turn sustains local jobs and household income levels.

Table 4 SA population by provinces

	2015	2018 Estimate	% share 2015	% share 2018 Estimate
Total population				
Eastern Cape	6 916 200	6 815 094	13%	12%
Free State	2 817 900	2 773 543	5%	5%
Gauteng	13 200 300	14 088 410	24%	25%
Kwazulu-Natal	10 919 100	11 039 740	20%	19%
Limpopo	5 726 800	5 849 604	10%	10%
Mpumalanga	4 283 900	4 395 703	8%	8%
Northern Cape	1 185 600	1 212 630	2%	2%
NORTH West	3 707 000	3 858 959	7%	7%
Western Cape	6 200 100	6 589 734	11%	12%
South Africa	54 956 900	56 623 417	100%	100%

Source: StatsSa Population Estimates 2015

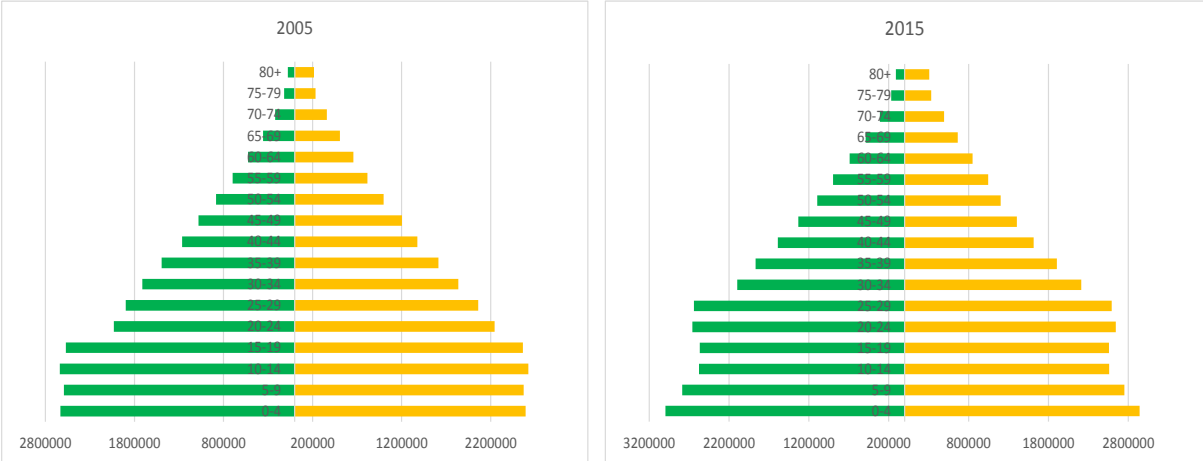
The largest populous regions are Gauteng and KwaZulu-Natal which make up 44 percent of the national population. Subsequently these are the regions which receive the largest share of the equitable share of the national transfers. The Limpopo province constitute 10 percent of the national population, in 2015 the Limpopo population was 5.7 million, slightly below Western Cape Province with a population of 6.2 million and higher than Mpumalanga, North West, Free State and Northern Cape with a population of 4.2 million, 3.7 million, 2.8 million and 1.2 million respectively.

3.1.1. SA population by gender and age

The South African population has experienced a structural transformation over the past decade. There is a growing concentration of young people in the country as shown in the 2015 pyramid age group of 15 to 29. This is the age group seeking to

enhance their studies at higher learning institutions and some are joining the South African labour force to offer their labour. Given the rise in the number of the age group, this prompts government to assess policies and create an inclusive economic development programme that encourages active participation of youth population.

Figure 12 SA population by gender and age



Source: StatsSa Population Estimates 2015

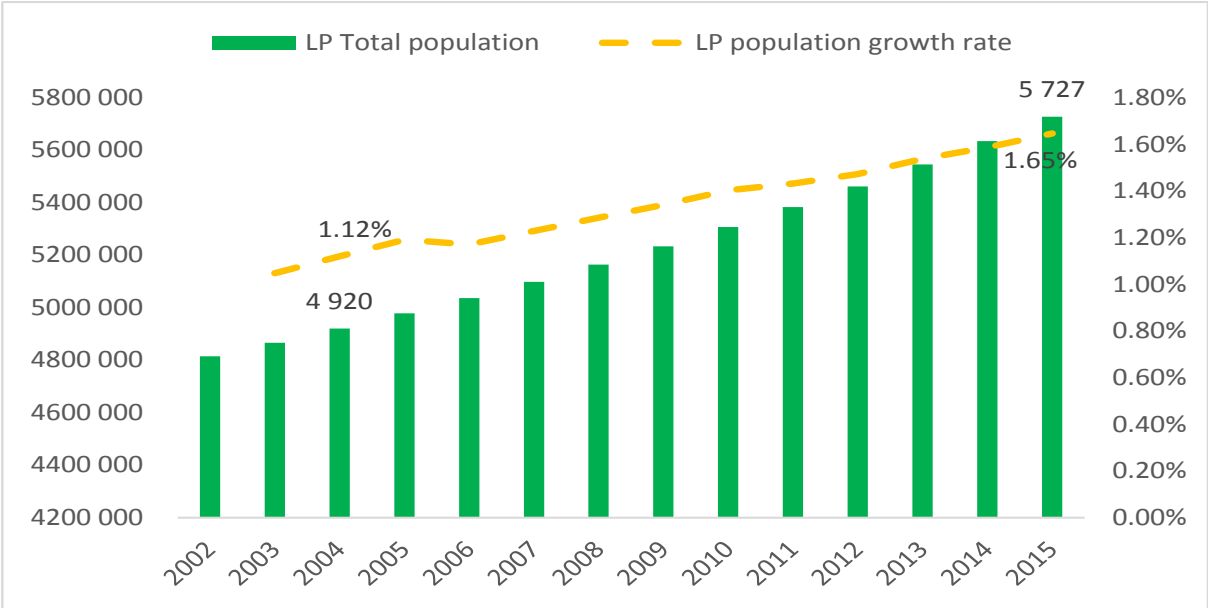
Although there has been an increase in both male and female child birth rate, children population was curbed by an increase in child mortality rates as seen in the above diagrams (age group 0 to 14). This has led to a decline in the child dependency ratio decreasing from 53 percent in 2005 to 46 percent in 2015.

3.2. Limpopo Population

The Limpopo population is the fifth largest nationally sitting at 5.7 million in 2015, which rose from 4.9 million in 2004. In the last decade, the provincial population has been growing by an average of 1.3 percent per annum. Some of the growth has been spurred by international migrations from the South African Development Community (SADC) countries, which poses an economic benefit of spurring economic growth through augmented aggregate demand for goods and services. The flipside of rapid population growth is that it increases demand for public goods such as clinics, schools and roads which are consumed unexclusively. The provincial government needs to ensure that service delivery grows at a faster rate than that of the provincial population to ensure that service delivery backlogs are curbed and that human development is

accelerate. This analysis is necessary to determine resource allocation in the province, particularly to regions where it is most needed.

Figure 13 LP total population and population growth rate

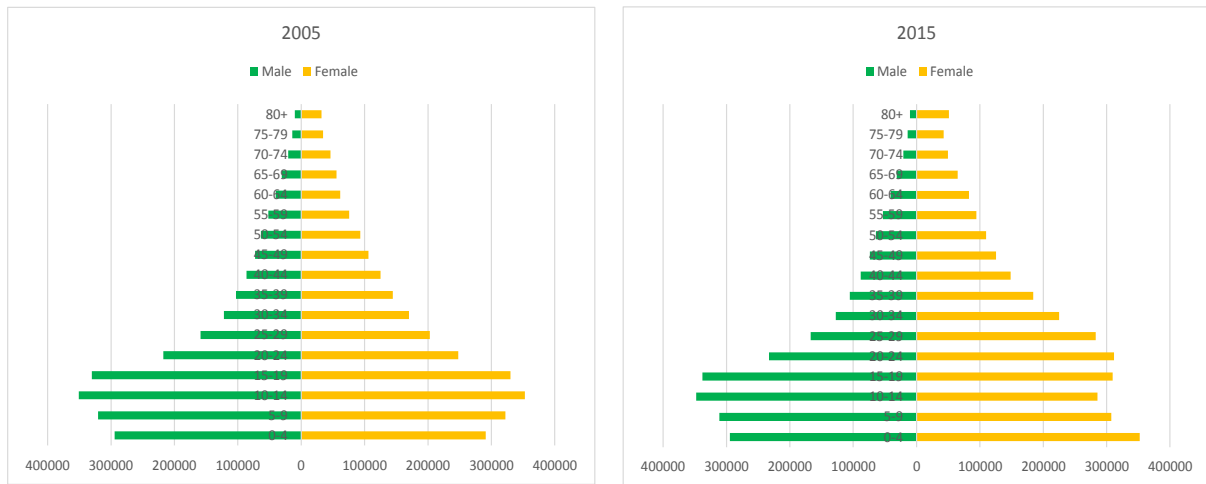


Source: StatsSa Population Estimates 2015

3.2.1. Population by gender and age

The provincial population structure has changed significantly. The provincial population is tending to be very youthful, with female population outpacing that of their counterpart. It is noticeable that female births have increased in the past ten years which unfortunately is accompanied by high mortality rates. The continuation of this skewed population structure could invent social imbalance in the future if not addressed promptly. While male birth rate have not increased much and yet there is low mortality among male infants.

Figure 14 LP population by gender and age



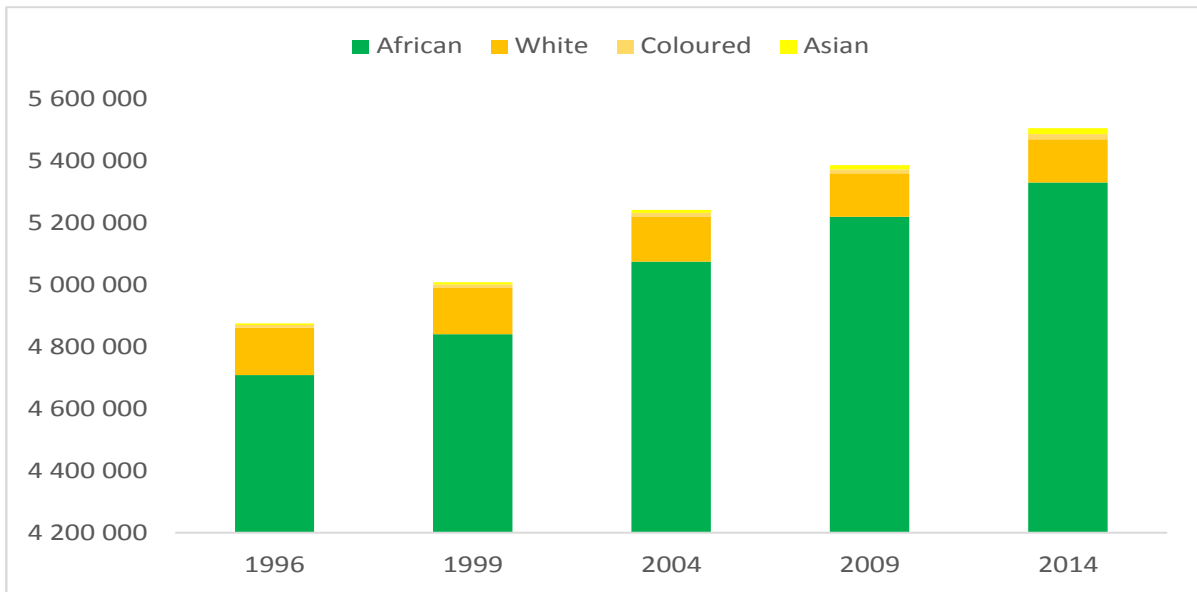
Source: StatsSa Population Estimates 2015

The elderly females generally are living much longer than their male counter parts, for mostly generalised reasons that men tend to adopt riskier life styles as compared to females. Also men assume riskier jobs such as security guards, and working in the mines where they are susceptible to illnesses that curtail their lifespan. It leaves the elderly female population vulnerable and susceptible to lack of care, abuse and robbery, especially those in rural areas.

3.2.2. Provincial population per race

About 96 percent of the Limpopo province is made up of Africans. In 2014, the African population was recorded at 5.5 million which is 2.1 percent growth from the 2009 figure of 5.22 million. Followed by whites whose population size was 139 thousand, constituting only 2.5 percent which is a decline from the 2009 figure of 140 thousand. The coloured and Asians combined make up 0.6 percent of the total provincial population. In 2009 the Asian population was 13 thousand, which rose to 19 thousand in 2014.

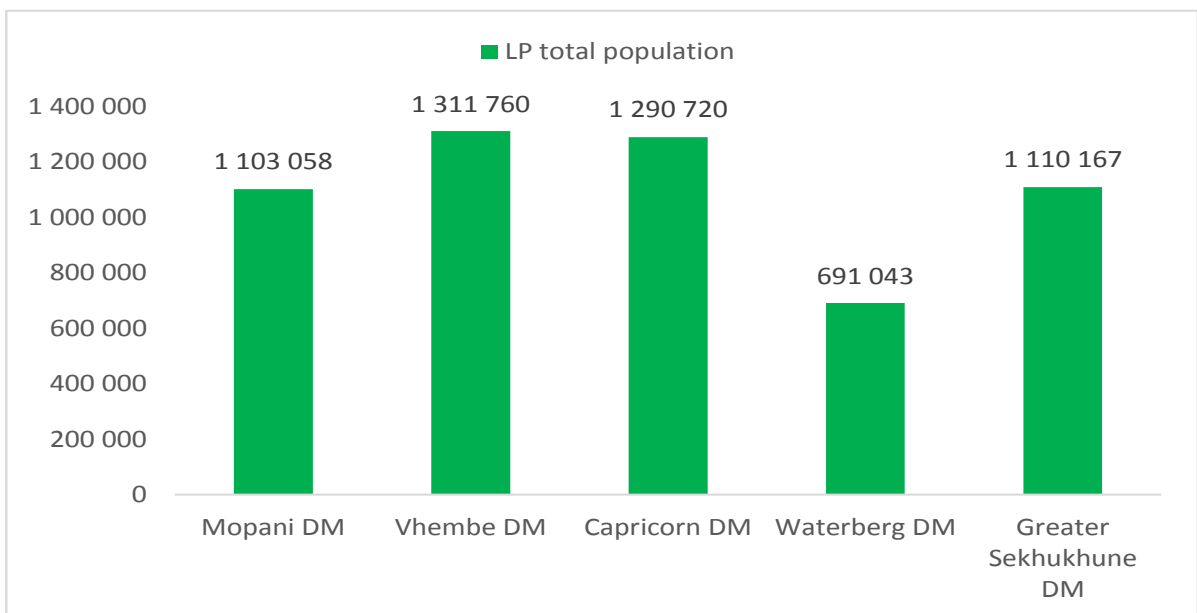
Figure 15 LP population by race



Source: Regional Explorer 2015

About 24 percent of the population in Limpopo reside in Vhembe district, with a population of 1.3 million. It is followed by Capricorn, Greater Sekhukhune and Mopani with a population of just over 1 million, Capricorn (1.3 million), Greater Sekhukhune (1.1 million) and Mopani (1.1 million). The lowest population is in Waterberg district municipality with a population of 691 thousand.

Figure 16 LP total population by district



Source: Regional Explorer 2015

3.3. Conclusion

The population growth in the province is at an average of 1.3 percent (slightly below the national average of 1.5 percent), this necessitates the provincial government to ensure that the rate of service delivery and the rate of maintenance of infrastructure grows at a much faster rate to curb service delivery backlogs.

From the population pyramid analysis, there is a growth in the female elderly population. Given that the elderly population is vulnerable and susceptible to illnesses, lack of care, abuse and assaults, it therefore becomes necessary for the provincial government to augment its services in supporting the elderly population. Old age homes, house visits and medical facilities should become easily accessible by the elderly population.

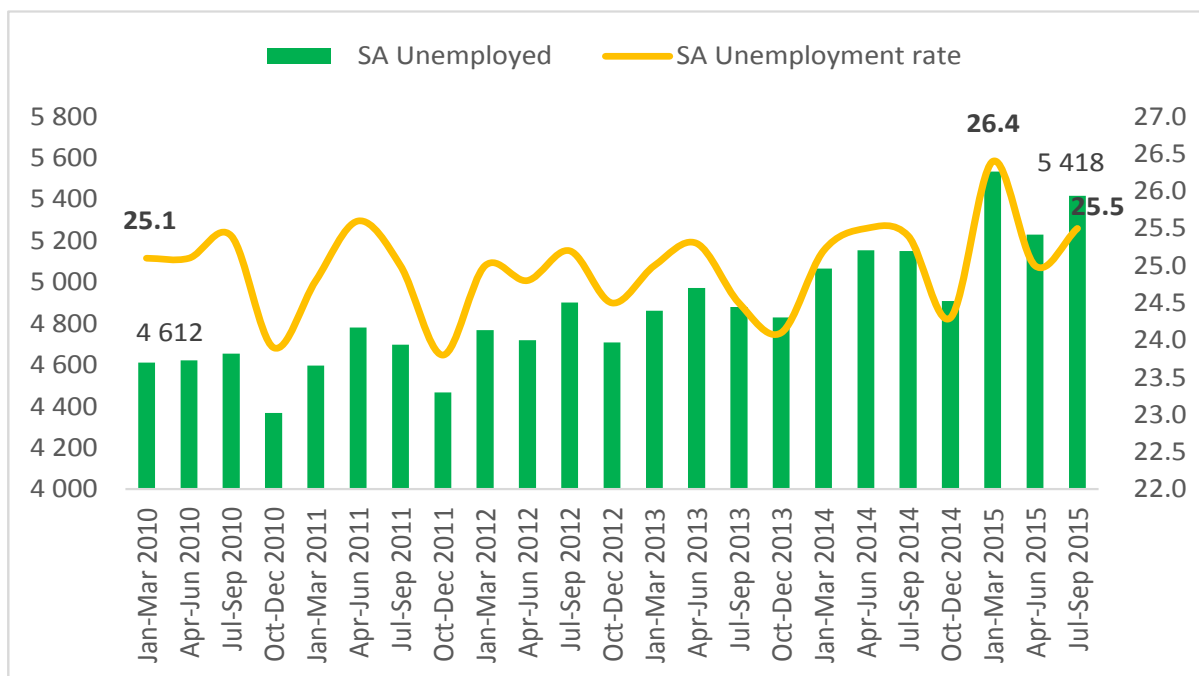
The province has not optimally taken advantage of its potential demographic dividend. Although the provincial child dependency has slightly declined, the rise in the birth rates, especially among the female population, may limit the province from actualising its demographic dividend. Government needs to ensure that there is a balanced population structural that does not necessarily inhibit economic development in the province.

4. The overview of labour market

4.1. SA Unemployment

South Africa is plagued with resilient and relatively high unemployment rate, particularly amongst the youth and women. Although lack of jobs is a global problem, the case in Africa is quite dilapidated. Unemployment is displayed as seasonal layoffs, technical adjustments in industry due to increased automation, lack of necessary skills by workers, racial discrimination and instabilities of the local economies. Therefore dealing with unemployment in the country will require a holistic policy approach.

Figure 17 SA unemployment



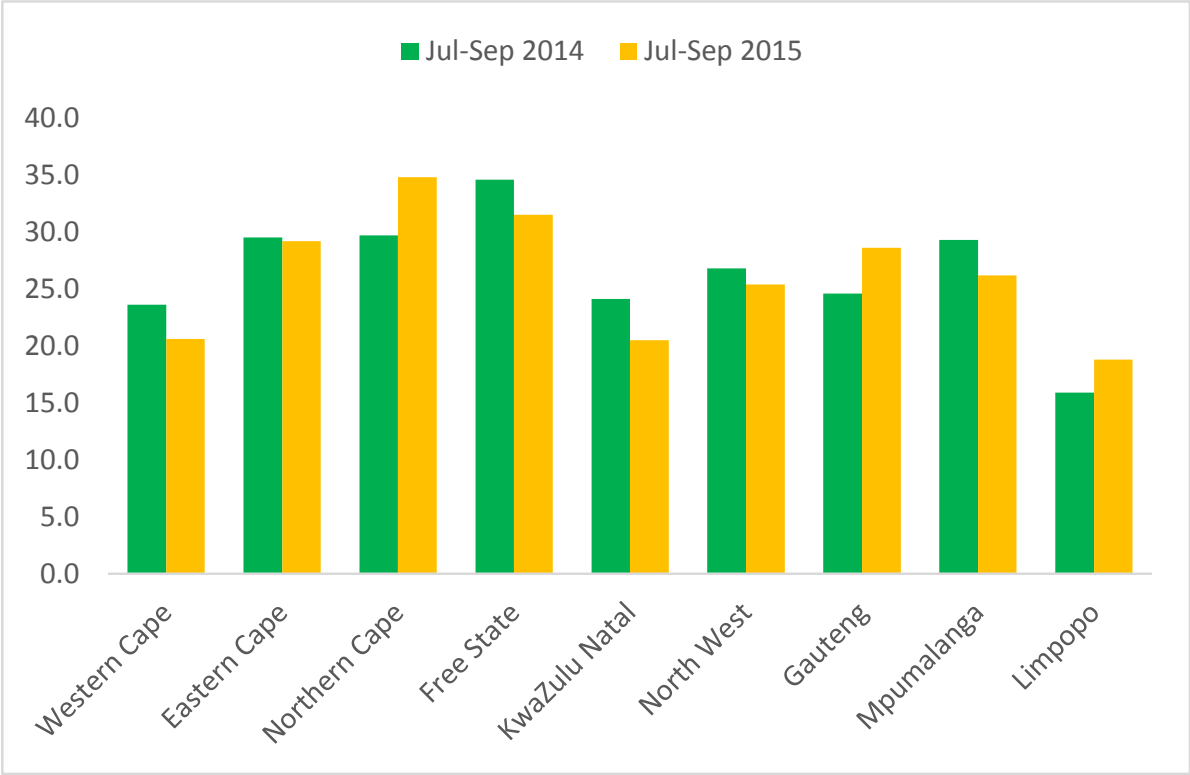
Source: StatsSa QLS 2015

The number of South Africans without jobs is growing annually and at a relatively constant rate growing from 4.6 million in the first quarter of 2010 to 5.4 million in the third quarter of 2015. Unemployment rate is currently recorded at 25.5 percent as at the end of third quarter of 2015. The increase in matriculants and graduates entering the labour market has put a strain in the efforts of employment reduction. Slow economic growth and low industrialisation have not helped the situation. The relatively high unemployment leads to over reliance of the population on public services and

goods, which in turn puts a lot of strain on government fiscus thereby deviating government expenditure from investment expenditure to social expenditure.

The diagram below shows the comparison of the unemployment from different provinces in South Africa, in 2015 3rd quarter, higher unemployment rate were recorded in Northern Cape at 35 percent, Free State at 32 percent, Eastern Cape at 29 percent and Gauteng at 29 percent respectively and the lowest unemployment rate was recorded in Limpopo at 18.8 percent, KwaZulu Natal at 20.5 percent and Western Cape at 20.6 percent. Although Limpopo’s unemployment may be low, yet it is on an upward trajectory year on year comparison rising from 15.9 percent in 2014 3rd quarter to 18.8 percent in 2015 3rd quarter. The drought conditions and lacklustre production output in the mining sector will fail to arrest the undesirable unemployment rate growth.

Figure 18 Unemployment by province

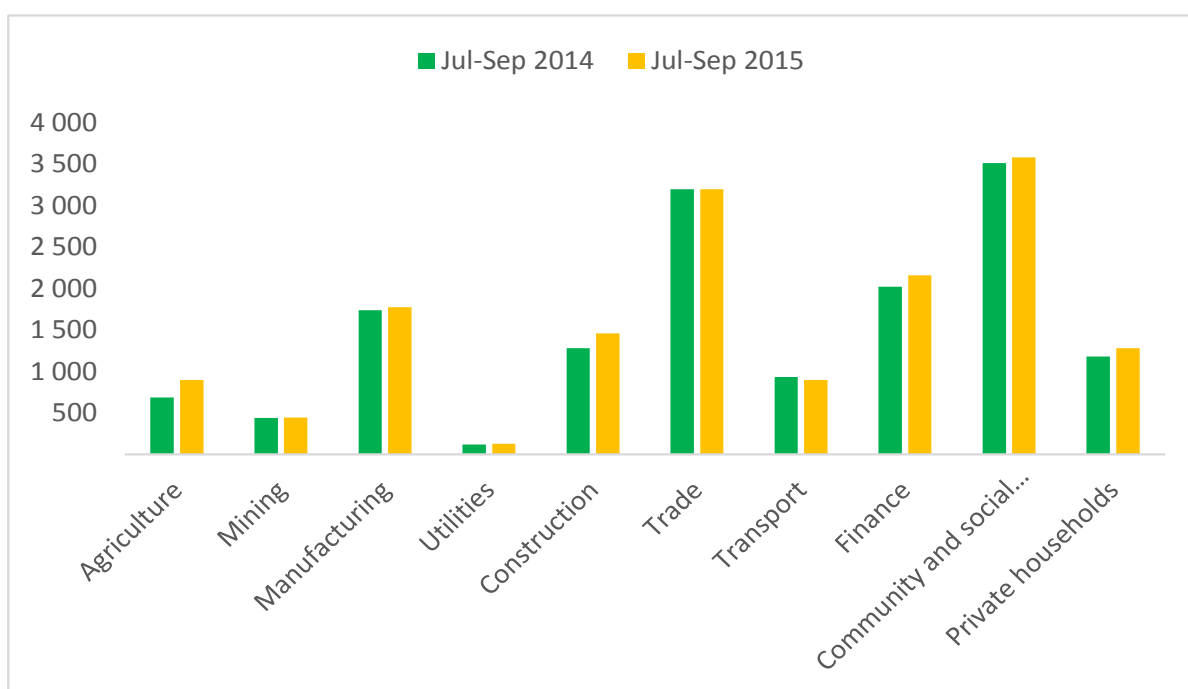


Source: Regional Explorer 2015

4.2. SA Employment

Year on Year analysis of 2014/2015, employment numbers increased by 711 thousand jobs, 2014 third quarter employment number was 15.1 million, increasing to 15.8 million in 2015 third quarter. Although Community and social services, Trade and Manufacturing are the largest employing sectors in the country, albeit much of the year on year growth in employment in the third quarter of 2015 was supported by Agriculture, Construction and Finance which contributed 211 thousand, 180 thousand and 135 thousand respectively.

Figure 19 SA employed by industry



Source: StatsSa QLS 2015

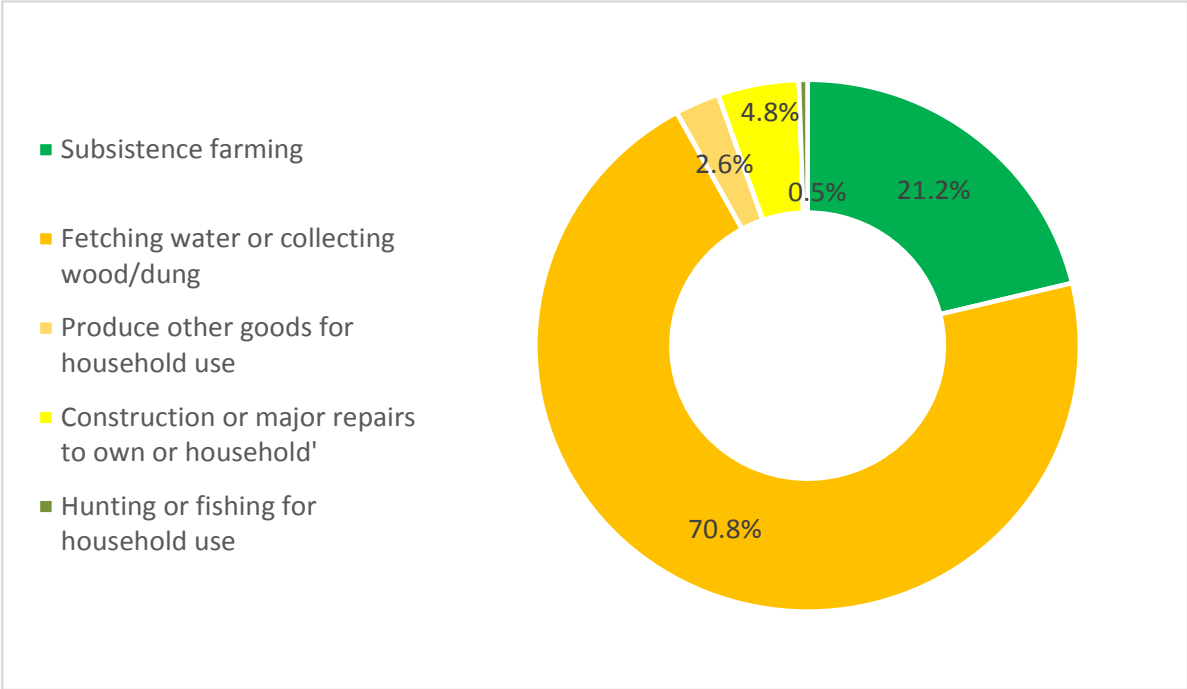
4.3. SA Non-market activities

Not every South African is able to participate in the formal labour market due to multivariate reasons such as seasonal layoffs, technical adjustments in industry due to increased automation, lack of prerequisite skills by workers, and racial discrimination. Some of the discouraged job seekers occupy themselves by subsistence farming, fetching water or collecting wood/dung, produce other goods for

household use, Construction or major repairs to own or household' and or Hunting or fishing for household use.

The largest non-market activity is Fetching water or collecting wood/dung which constitute 70.8 percent of the total non-market activities. It is followed by subsistence farming which makes up 21.2 percent. Woman unemployment in the country is relatively higher than male unemployment, therefore putting women at risk of engaging in risky activities of making an income to sustain their families.

Figure 20 Involvement in non-market activities



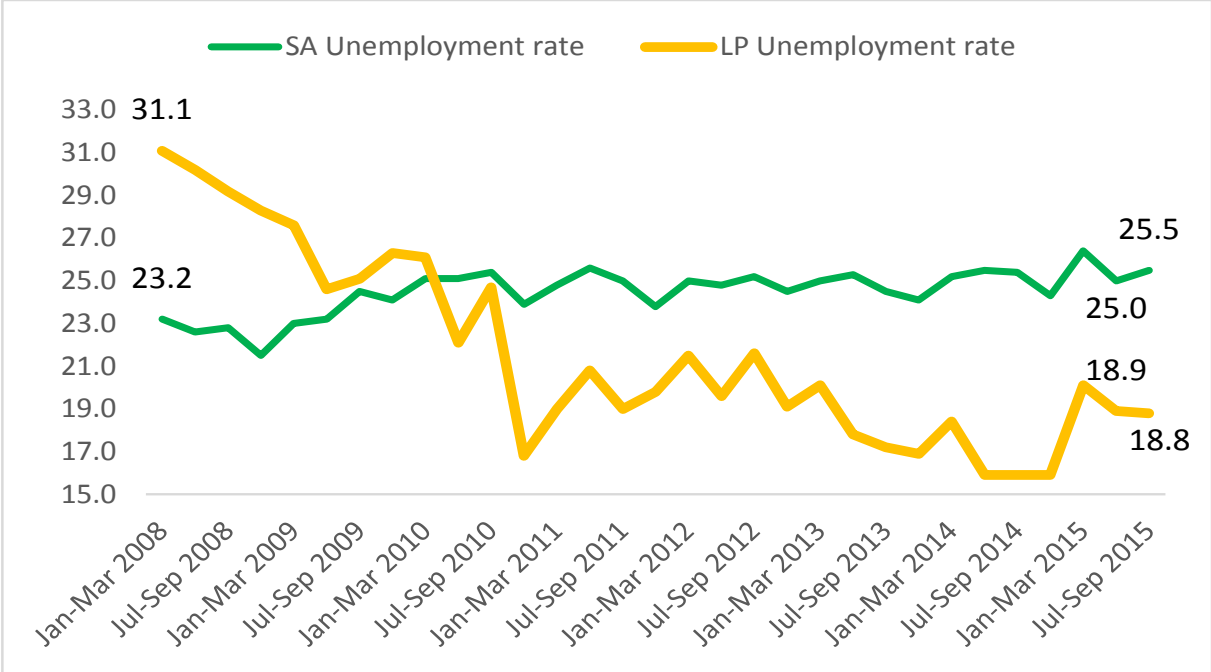
Source: StatsSa QLS 2015

4.4. Limpopo Unemployment Outlook

The province is equally faced with the triple socio-economics challenges of unemployment, inequality and poverty which lead to lower HDI (human development index). Though the unemployment rate is one of the lowest rates in the country, it still remains a challenge for those seeking employment and can't find it. This is not only as the result of the challenges that are created domestically but also as a result of the continuing global economic turbulences.

Employment is essential and play vital role for achieving poverty reduction, reduce inequality, ensure sustainable economic and social development. The contribution of economic growth process to poverty reduction is not automatic, it does not depend only on the rate of economic growth, but also on the ability of the unemployed to respond to the increasing demand for labour in the more productive categories of employment.

Figure 21 Limpopo unemployment



Source: StatsSa QLS 2015

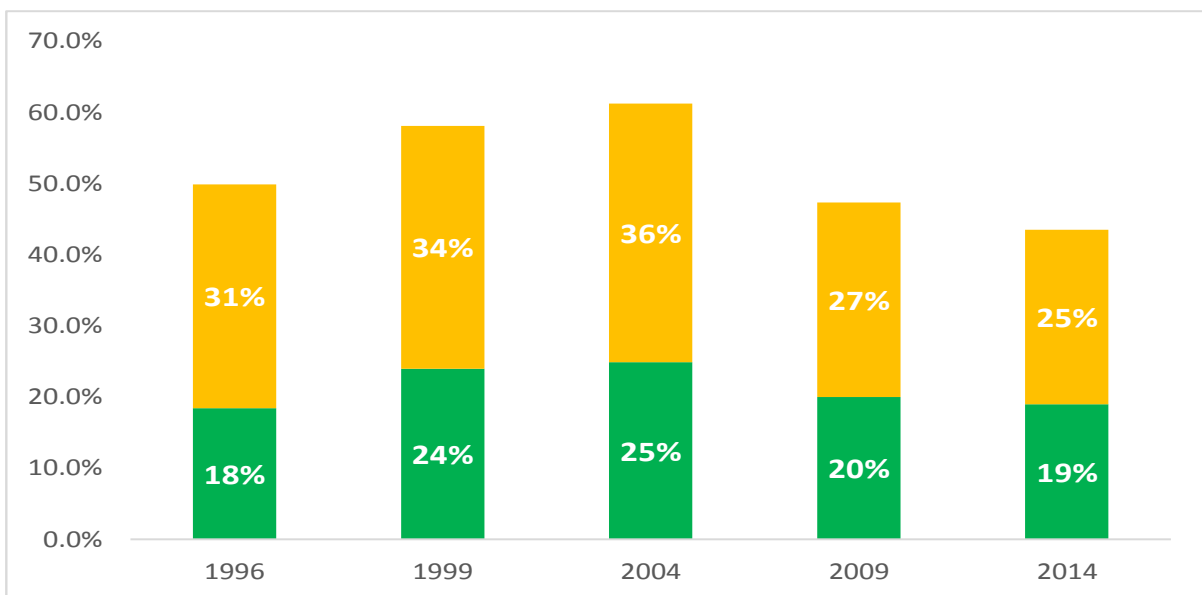
The Limpopo provincial unemployment rate has assumed a downward trend over the years. The unemployment rate reduced from 31 percent in the first quarter of 2008 and has further declined to 18.8 percent in the third quarter of 2015. The factors which contributed towards the decline in unemployment were both from the private and public sector. This includes employment that took place in community services such as Extended Public Works Programme (EPWP), Community Policing Forum (CPF), mining sector, construction sector and finance sector. Furthermore the aspect of migration has also contributed to the decline in unemployment rate, where more people in the working age group are migrating from this province to Gauteng and some other provinces for better working opportunities as well as batter wage.

4.4.1. Limpopo unemployment by Gender

Despite the enormous contribution that women make to economies, communities and families throughout the world, they still experience the deepest levels of poverty, oppression and exploitation. Women have borne the brunt of the social costs of changes in the world economy, such as neo-liberal globalisation, casualization, public sector cutbacks, work restructuring and deregulation.

In 2014, two decades after the dawn of democracy in South Africa, women continued to have lower incomes, suffer higher unemployment rate and less access to assets than men. In 2014, female unemployment rate was 25 percent, while the male unemployment was sitting at 19 percent. Although the disparity is closing but at a very slow rate.

Figure 22 Limpopo unemployment by gender



Source: StatsSa QLS 2015

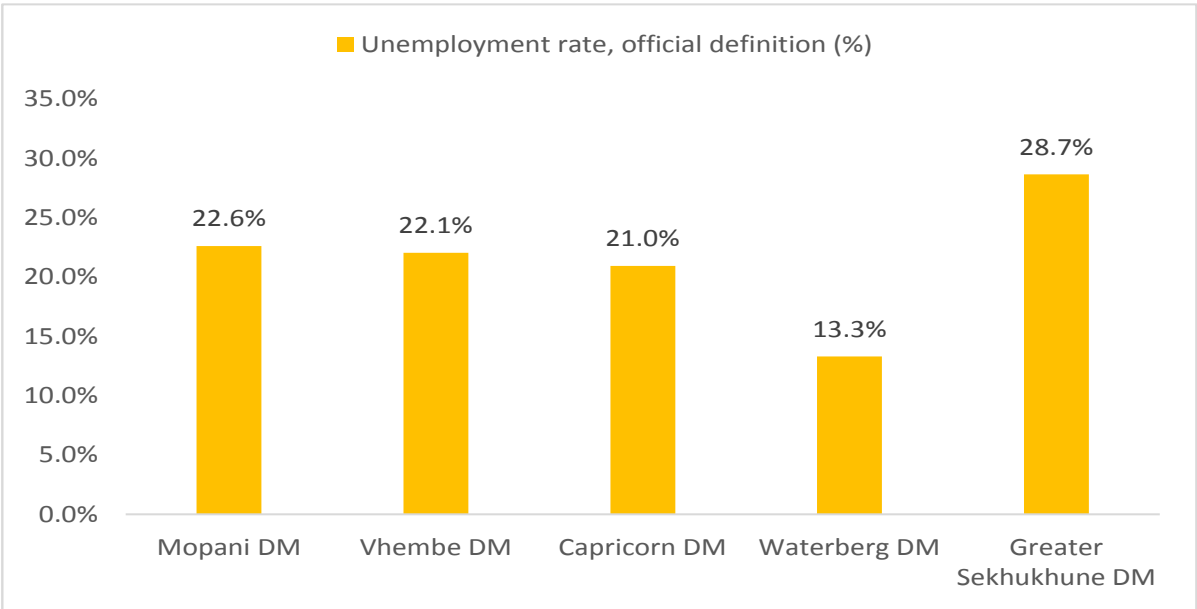
There is a need for a focus on employment creation (and improvement in the quality of jobs) whilst simultaneously improving action to redistribute wealth and socialise reproductive labour. In other words, there is a need to increasingly transfer the cost and burden of reproductive labour away from women in households to the state and communities. This requires improved resourcing and provision of basic needs and

services, expansion of childcare and education for the poor, and improved access to assets for working class women.

4.4.2. Limpopo unemployment by district

The highest unemployment rate in the province for the year 2014 was recorded at 28.7 percent in Greater Sekhukhune district. Followed by Mopani and Vhembe district which recorded unemployment rate of 22.6 and 22.1 percent respectively. The lowest unemployment rate is in Waterberg district which was 13.3 percent.

Figure 23 Limpopo unemployment by district



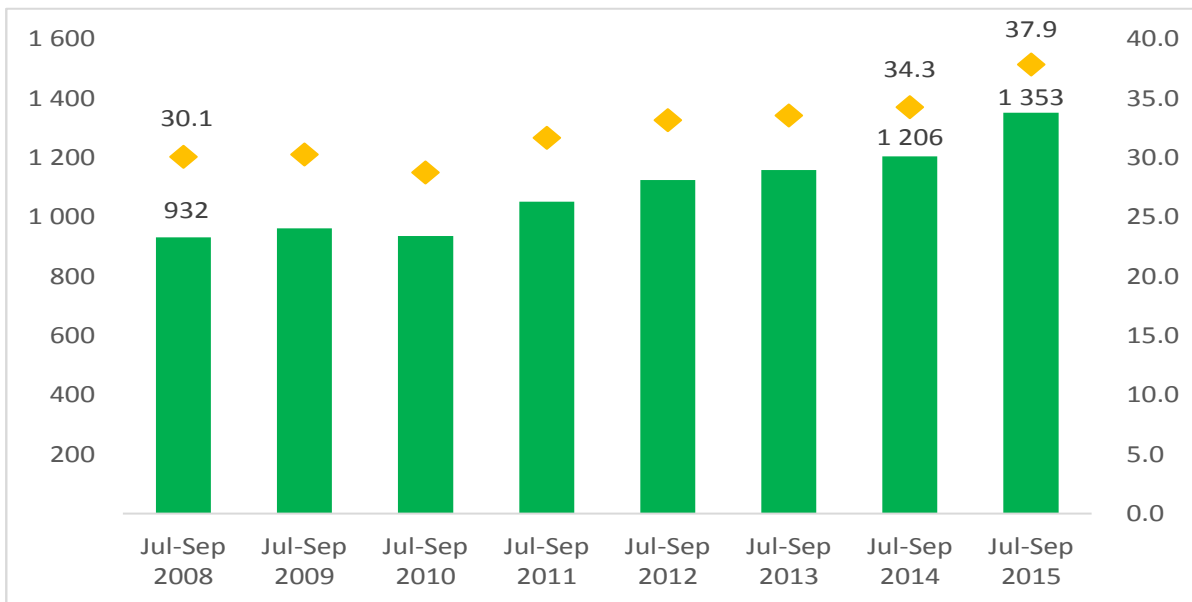
Source: Regional Explorer 2015

Mining sector remains an important employer in the province. Although more jobs could be created if the province was transforming its raw material into final goods that are destined for the domestic and international markets. Furthermore, the global economy is transforming from carbon emitting production process to more conventional green methods of producing goods and services. The transformative economy has the potential to create large numbers of green jobs and at the same time reduce negative environmental and social impacts.

4.4.3. Limpopo Employment

The number of people employed in the province has been increasing over time, from 932 thousand in the third quarter of 2008 to 1.35 million in 2015 third quarter. While 2015 Q-Q employment growth was 147 thousand which accounted for 20 percent of the national growth in employment. The improved employment numbers were complimented by the rise in the provincial labour absorption rate, which is the proportion of the employed people over the total working population. The ratio rose by 3.6 percent Q-Q, increase from 34.3 percent in 2014 third quarter to 37.9 percent in 2015 third quarter.

Figure 24 Employment in Limpopo province



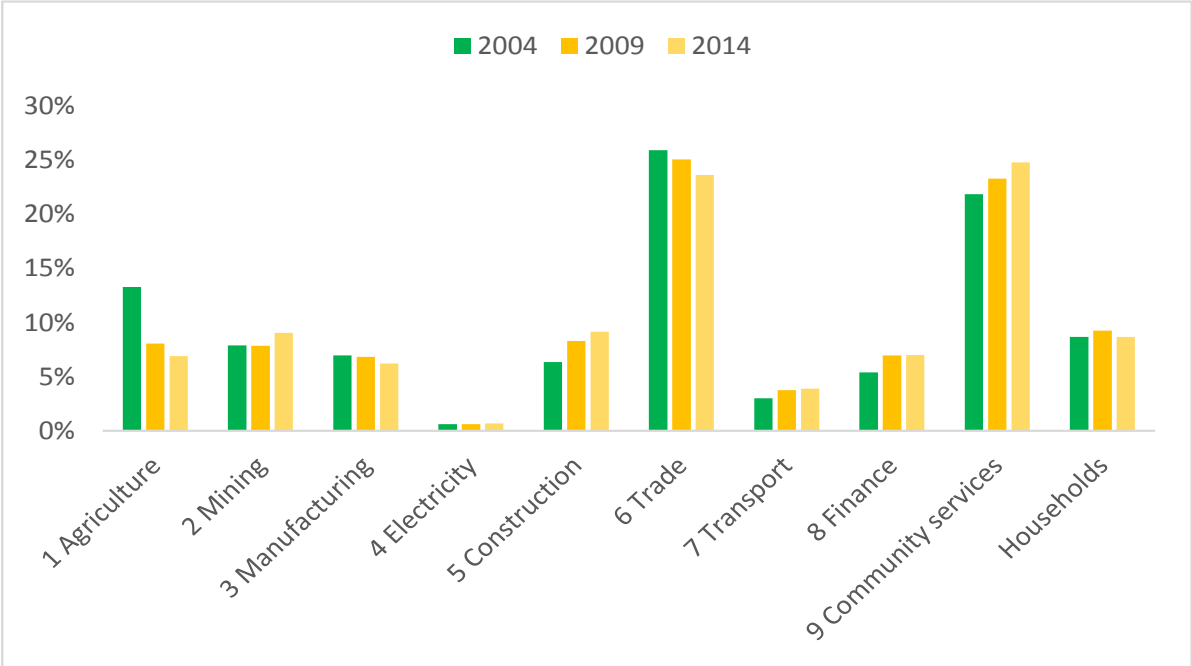
Source: StatsSa QLS 2015

4.4.4. Limpopo Employment per industry

Growth in employment is spurred by different industrial sectors in the province. The purpose of this section is to identify industries that are employing more labour force and to assist the government and private institution in the implementation of appropriate employment strategies. The graph below depicts the employment per industry in the Limpopo province from 2004 to 2014. In 2014 Community Services was the largest employer in the province. The sector has increased its share in the labour

market, growing from 22 percent in 2004 to 25 percent in 2014. The sector is followed by Trade, being the second largest employer in the province. Nevertheless, the trade sectors share in the labour market is diminishing over time. In 2004, the sector's share was 26 percent in 2004 and declined to 24 percent in 2014.

Figure 25 Limpopo Employment per industry



Source: Regional Explorer 2015

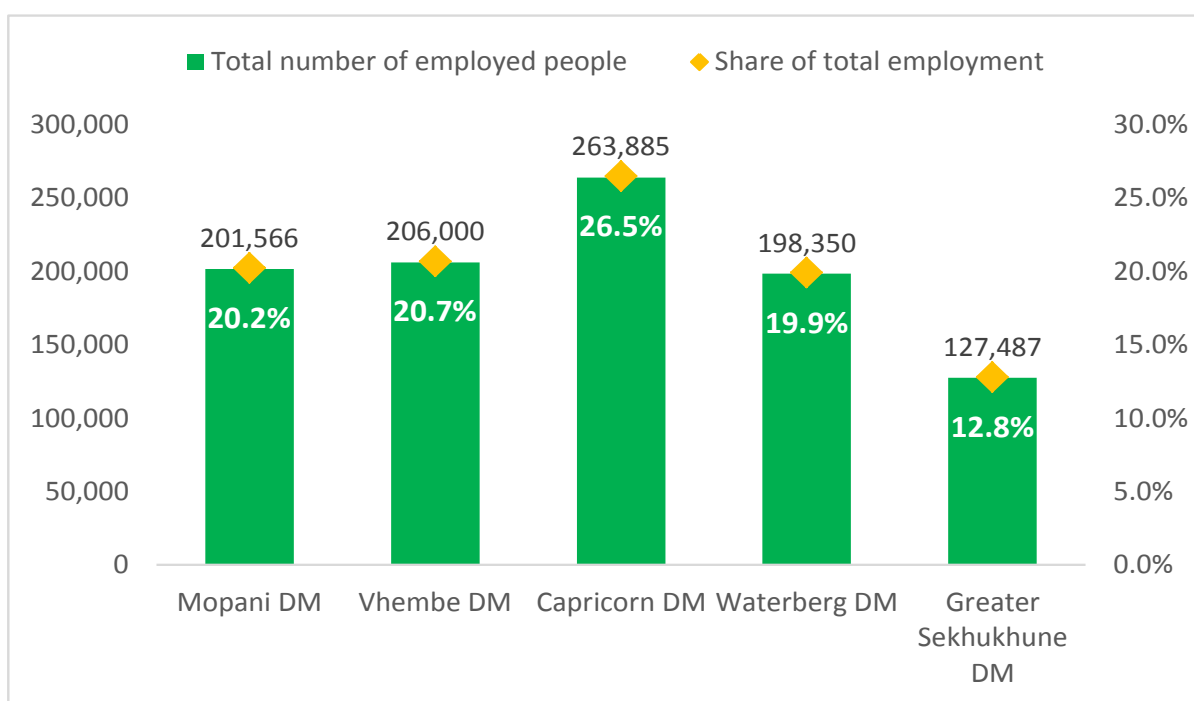
The largest employment share decline is observed in the agricultural sector where employment share declined from 13 percent in 2004 to 7 percent in 2014. This is accompanied by a decline in the total number of people employed in the sector. This raises serious fiscal policy concerns as the people who are employed in the sector are low income and unskilled workers who will find it difficult to find alternative jobs in the formal market. This portion of the unemployed people will heavily rely on the state for social security and other public services and goods. Other sectors that shed employment include Manufacturing, Trade and Household.

4.4.5. Municipal labour force profile

In 2014, about 264 thousand which represents 26.5 percent of the working people resided in Capricorn district. This was followed by Mopani and Vhembe which had

20.2 and 20.7 percent of the working population. Greater Sekhukhune district only registered 12.8 percent. The number of employed people in Capricorn district is likely to grow as people migrate from economically lacklustre rural economies in search for jobs.

Figure 26 Limpopo share of employment per district



Source: Regional Explorer 2015

4.5. Policy Imperatives

Among other things government can facilitate a conducive environment to stimulate job creation by performing the following:

- Increase the benefit to the province of mineral resources by giving clear certainty over property rights (the right to mining); increasing rail, water and energy infrastructure.
- Broaden the expanded public works programme into the productive sectors- Value Adding activities.
- Offer subsidies to employers to reduce the initial cost of hiring young labour market entrants.

- Reduce the cost of living for poor households and costs of doing business through microeconomic reforms.
- Remove the most pressing constraints on growth, investment and job creation, including energy generation and distribution, and urban planning.
- Position the province to attract offshore business services, and build on its advantages.

4.6. Conclusion

Employment creation is one of the key priorities of government as articulated in National Development Plan (NDP) and Limpopo Development Plan (LDP). The plan asserts that employment in itself plays a crucial role in the self-esteem and self-actualisation of people, enabling them to reach their full potential as human beings.

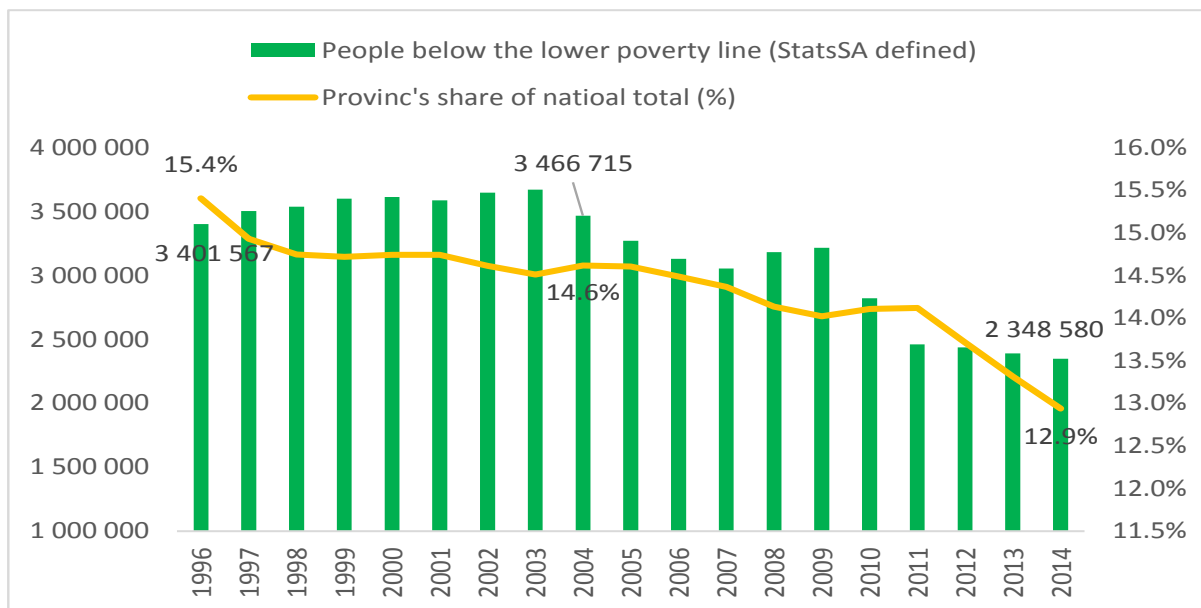
Although unemployment in the province is the lowest, nevertheless, there are still a considerable number of people without employment in the province. If this situation is not addressed, it may lead to social instability and adverse consequences on the provincial fiscal policy. Nonetheless, it is important to develop consistent, efficient and effective strategies to support growth with job creation and equity particularly in rural regions of the province where poverty and unemployment incident is high.

5. Poverty Overview

5.1. Poverty in South Africa and Limpopo

The number of people living below the lower poverty line between 1996 and 2003. Due to rise in employment numbers and extensive government intervention through social security, the number of people living below the lower poverty line declined from 3.5 million in 2004 to 2.4 million in 2014. The provincial's share of people living below the lower poverty line declined from 15.4 percent in 1996 to 12.9 percent in 2014. More sustainable methods are necessary to eliminate poverty levels in the province varying from labour intensive programmes to supporting rural development community projects that are labour absorbing.

Figure 27 Number of people living below the lower poverty line and province's share to national total



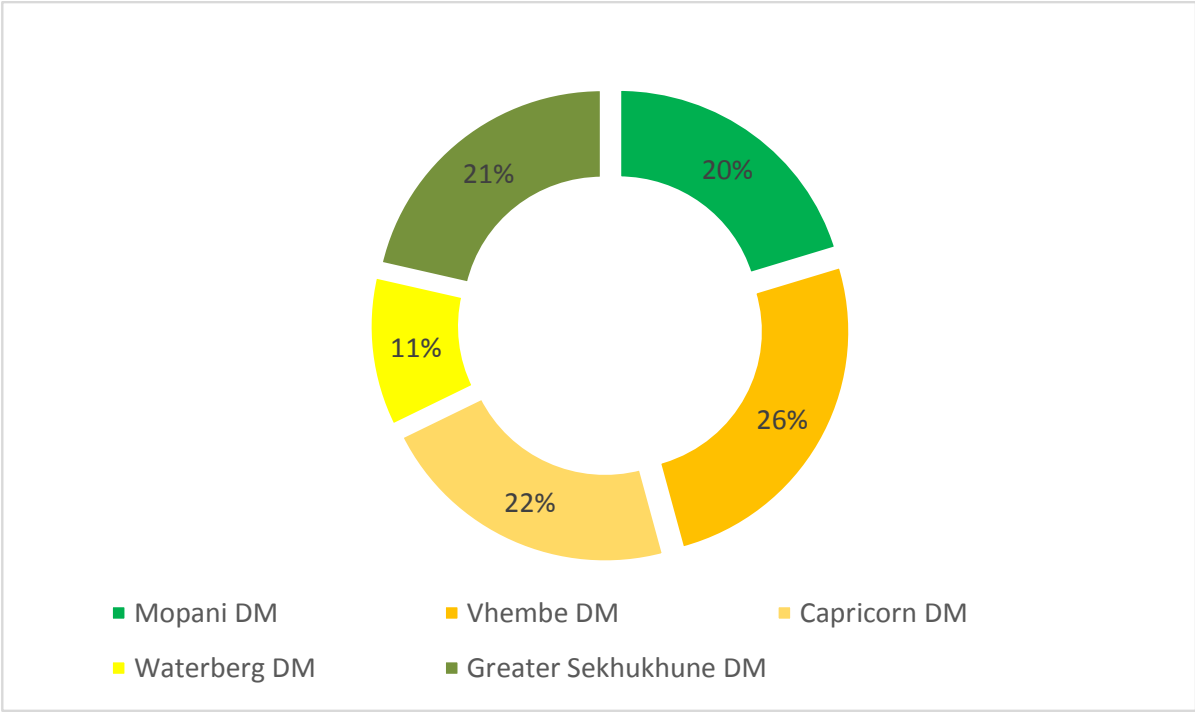
Source: Regional Explorer 2015

5.2. Poverty by districts

The largest number of people living in poverty are in the Vhembe district, which takes the lion's share of 26 percent. It is followed by Capricorn, Greater Sekhukhune and Mopani district registering 22 percent, 21 percent and 20 percent respectively.

Waterberg has the lowest share of people living in poverty in the province, recorded at 11 percent in 2014.

Figure 28 District's share of provincial total (%)



Source: Regional Explorer 2015

5.3. Conclusion

The province needs to create a pro-poor growth economy. The extent to which growth can reduce poverty depends on a number of context-related variables. Specifically, to harness growth for poverty reduction the province must fully and rigorously implement the LDP which emphasise the development of productive sectors and rural development. It is also imperative that provincial government develop regional and sector specific Industrial policies (IPs) which aim to industrialise the local economy. Industrialisation has long been considered the substance of economic development. Industrial policy (IP) is therefore more than a narrowly defined group of policies focusing on manufacturing, but is a set of policies to stimulate specific economic activities and promote structural economic change.

Government should ensure social protection which aim to help poor and vulnerable people manage risk and overcome deprivation, through direct cash or in-kind transfers. These include cash transfers (for example, pensions, disability grants, child benefits, and social assistance), input distribution programmes (for example, agriculture 'starter packs'), employment guarantee programmes, subsidised access, nutritional supplements and school feeding programmes.

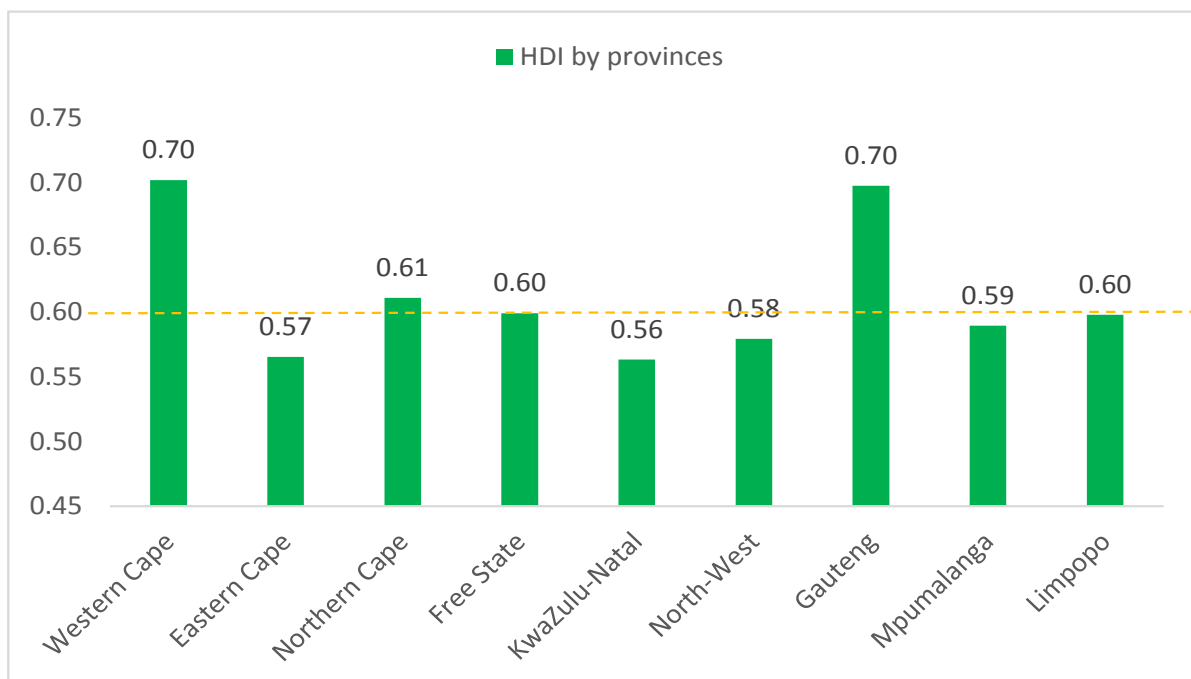
6. Human Development Index (HDI) and Income Inequality

6.1. South Africa Human Development Index (HDI)

The Human Development Index (HDI) is a composite index focusing on three basic dimensions of human development: to lead a long and healthy life, measured by life expectancy at birth; the ability to acquire knowledge, measured by mean years of schooling and expected years of schooling; and the ability to achieve a decent standard of living, measured by gross national income per capita. The HDI can assume a maximum value of 1, indicating a very high level of human development and a minimum value of 0, indicating no human development.

Western Cape and Gauteng has the highest HDI in the country recorded 0.70 each in 2014 which is 0.10 points above the national average of 0.60. This implies that the two regions have, on average, high living condition where most people are literate, enjoy long life spans and have high income per capita. The lowest HDI is recorded in KwaZulu-Natal, Eastern Cape and North West at 0.56, 0.57 and 0.58 respectively. While the Limpopo and Free State's HDI was recorded at 0.60 each, at par with the national average.

Figure 29 HDI by provinces

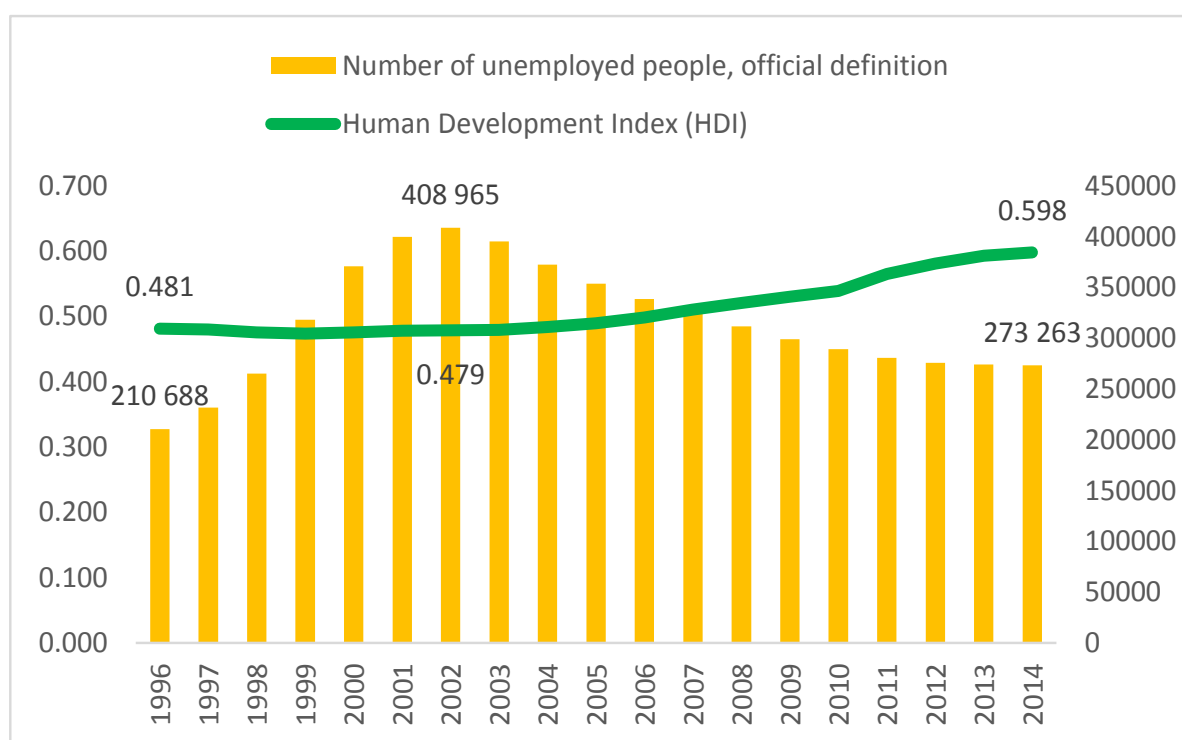


Source: Regional Explorer 2015

6.1.1. Limpopo Human Development Index (HDI)

The provincial HDI has been on an upward trend over the past years, moving from 0.48 in 1996 to 0.59 in 2014. The provincial HDI and the number of unemployed people in the province are conversely correlated. As indicated in the diagram below, the number of people without jobs increased from 211 thousand in 1996 to 409 thousand in 2002 and the provincial HDI deteriorated from 0.481 to 0.479 in the same period. Conversely, when the number of people without employment reduced from 409 thousand in 2002 to 273 thousand in 2014, the provincial HDI improved from 0.479 to 0.598 respectively. This indicates a very important policy imperative of the significant impact employment plays in the general welfare of people in the province.

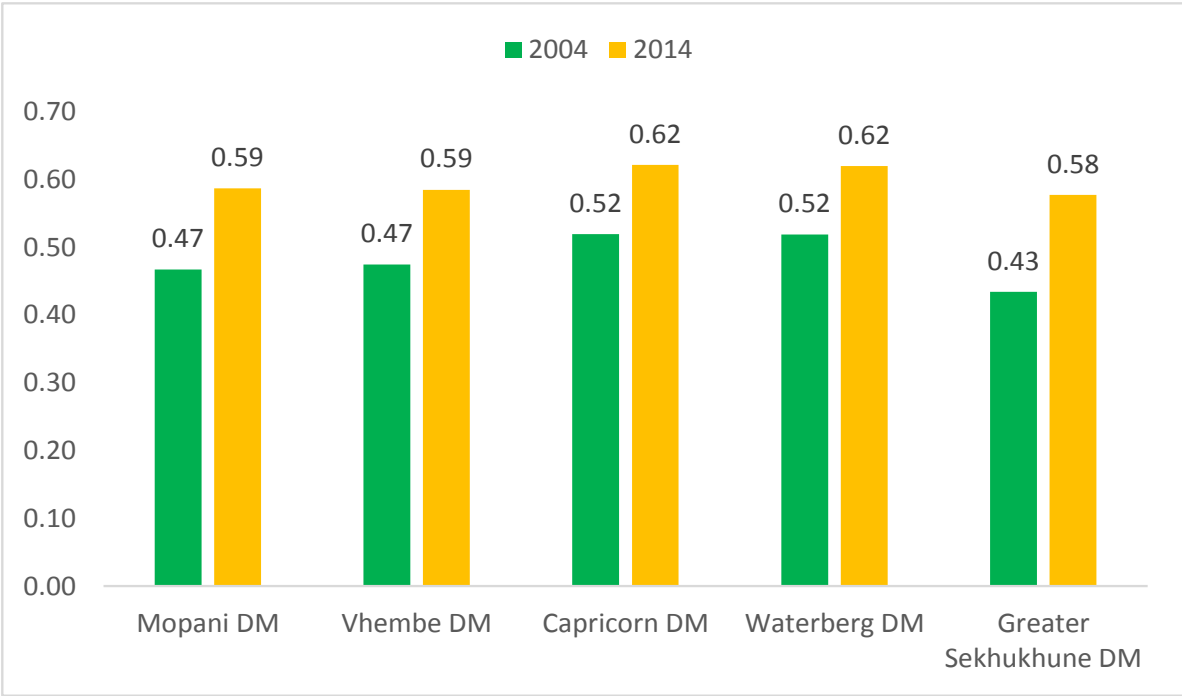
Figure 30 LP HDI and number of unemployed people



Source: Regional Explorer 2015

The below diagram suggests that Capricorn and Waterberg have slightly the highest HDI of 0.60 each in 2014. Greater Sekhukhune registered the lowest HDI in the province, albeit, the same region experienced the largest improvement in the human development which grew from 0.43 in 2004 to 0.58 in 2014. Extension

Figure 31 LP HDI by districts

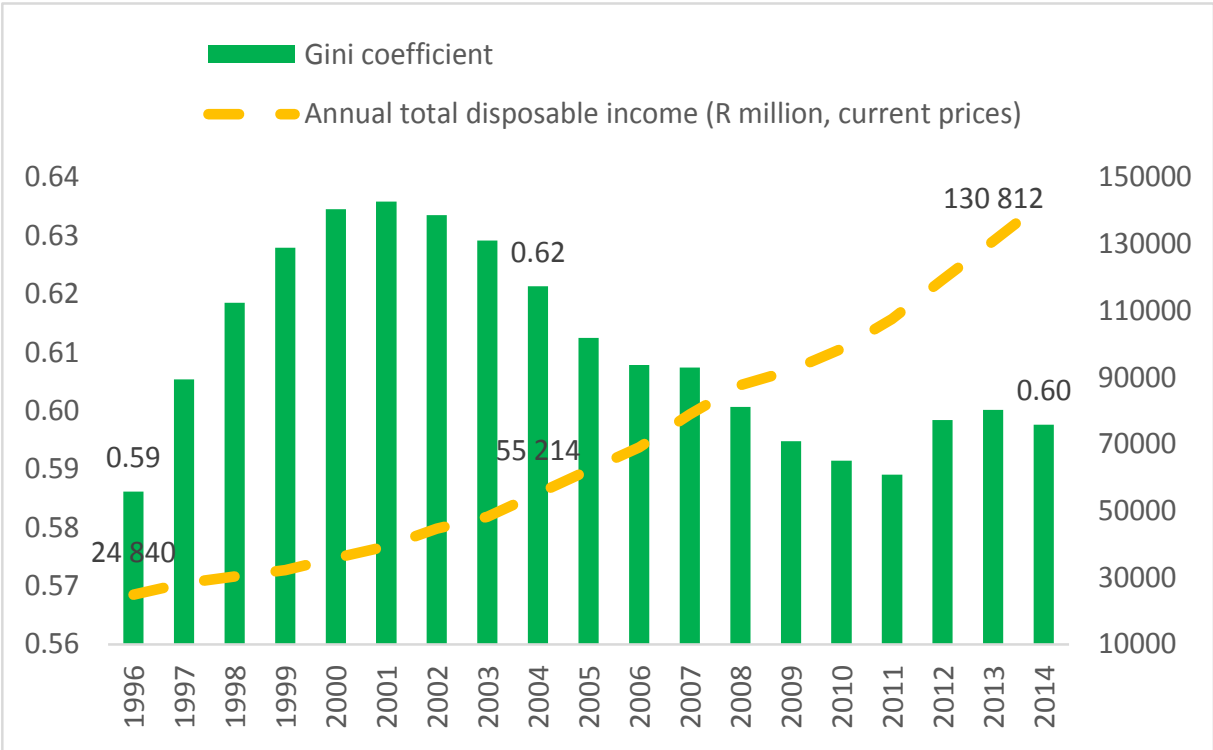


Source: Regional Explorer 2015

6.2. Income Inequality

Income inequality is measured through the Gini Coefficient. When the Coefficient is equal to zero it means that incomes are distributed in a perfectly equal manner, indicating a low variance between high and low income earners in the population. When the Gini coefficient is equal to one, income is completely inequitable, with one individual in the population earning income, whilst everyone else earns nothing.

Figure 32 LP Gini Coefficient and annual disposable income



Source: Regional Explorer 2015

The provincial Gini Coefficient has shown an improvement over the years. In 2001, the provincial Gini Coefficient was recorded at 0.64, which declined over the years to 0.60 in 2014. The improvement is correlated to the rise in actual total disposable income in the province. A rise in income levels will not automatically lead to improved Gini Coefficient, the condition is that the income must be attributed to low or none income earners.

6.3. Conclusion

The overarching conduit to achieving high living conditions and closing the income gap in the province is by having a job creating economy. Low employment and high poverty levels will lead to high reliance on public goods and services which will adversely affect the provincial fiscus, at its worse situation diverting investment expenditure to social welfare. Government and private sector could improve the provincial HDI by providing more adult education, especially for those that have not been to school, ensure health facilities are accessible to everyone, especially in the

rural outskirts of the province. And finally, increasing human development by raising the household income through descent and sustainable jobs.

7. Health Overview

7.1. Introduction

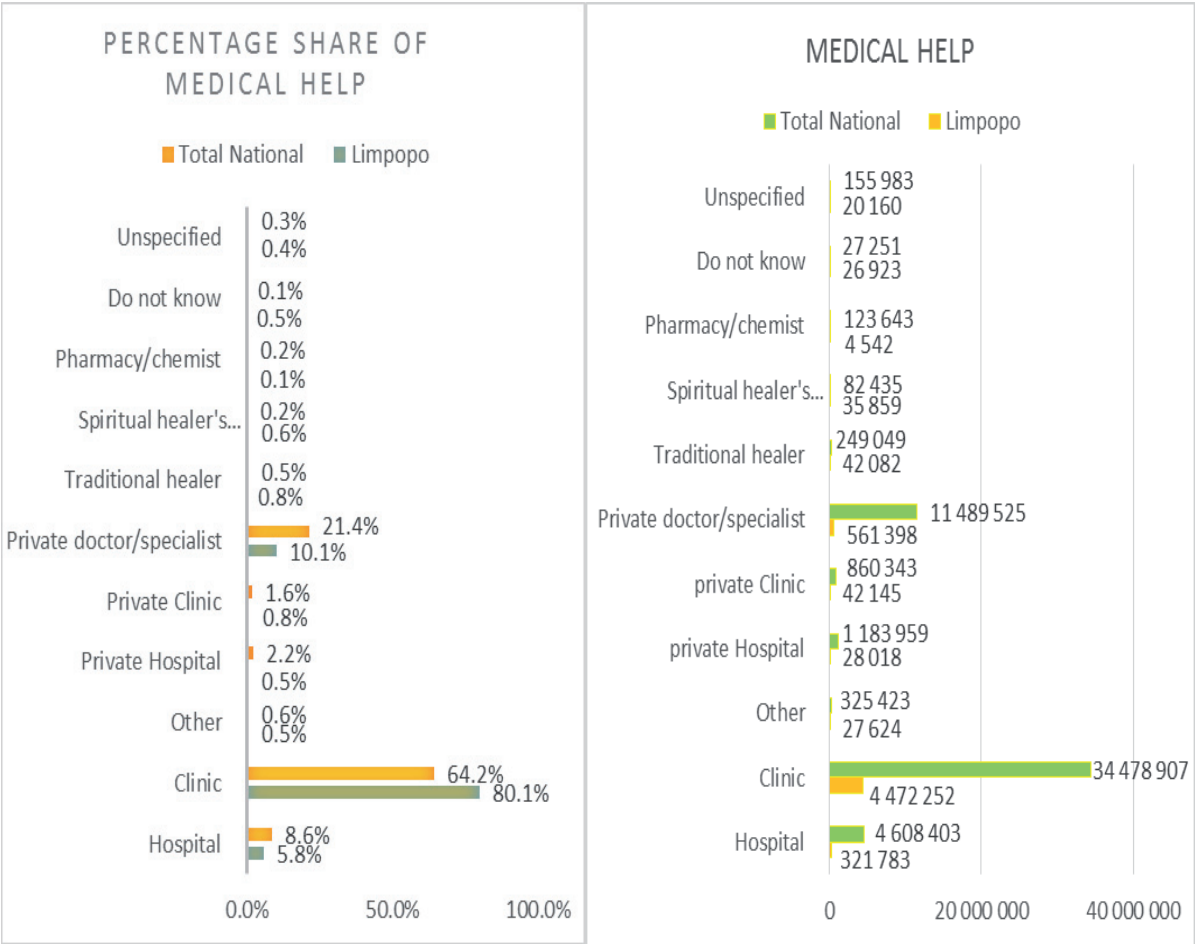
Good health plays a very important role in economic growth and development. A healthy population are more productive, live longer, and save more. Governments in less developed nations face a burden of making provision for health services to the majority of the population as many are unemployed, live in poverty and can't afford medical aid facilities. Equally, the Limpopo province is faced with the same dilemma of increasing its health services as many people rely on public facilities to address their health needs.

South Africa is overwhelmed with health problems that have been described as the extend burden of disease. These are HIV/AIDS, TB, maternal, infant and child mortality; non-communicable diseases, injury and violence. The rates of death and disability remain unacceptably high across the country and especially in more poor regions, such as Limpopo Province in general and Vhembe District in particular. The rising mortality rate has serious consequences for the children, although the Department of Health has broadened government support to regional clinics and hospitals, and these facilities are still hard to reach for most people living in rural areas.

7.2. Medical help facility among Limpopo and South Africa in 2014

The type of health care facilities consulted firstly or mostly by household when members fall ill or have accident is shown in below graph. The figure indicated that about 64.2 percent or 34.5 million of households nationally and 80.1 percent or 4.5 million in Limpopo they would firstly consults public clinics, compared to 8.6 percent of nationally and 5.8 percent in Limpopo that consults public hospital, furthermore indicate that 21.4 percent nationally and 10.1 percent in Limpopo will consults private doctors/ specialist, While the percentage of population that consult private clinics and private hospitals nationally and in Limpopo are 3.8 and 1.3 percent respectively.

Figure 33 Medical help facility among Limpopo and South Africa in 2014



Source: Stats SA super web 2015

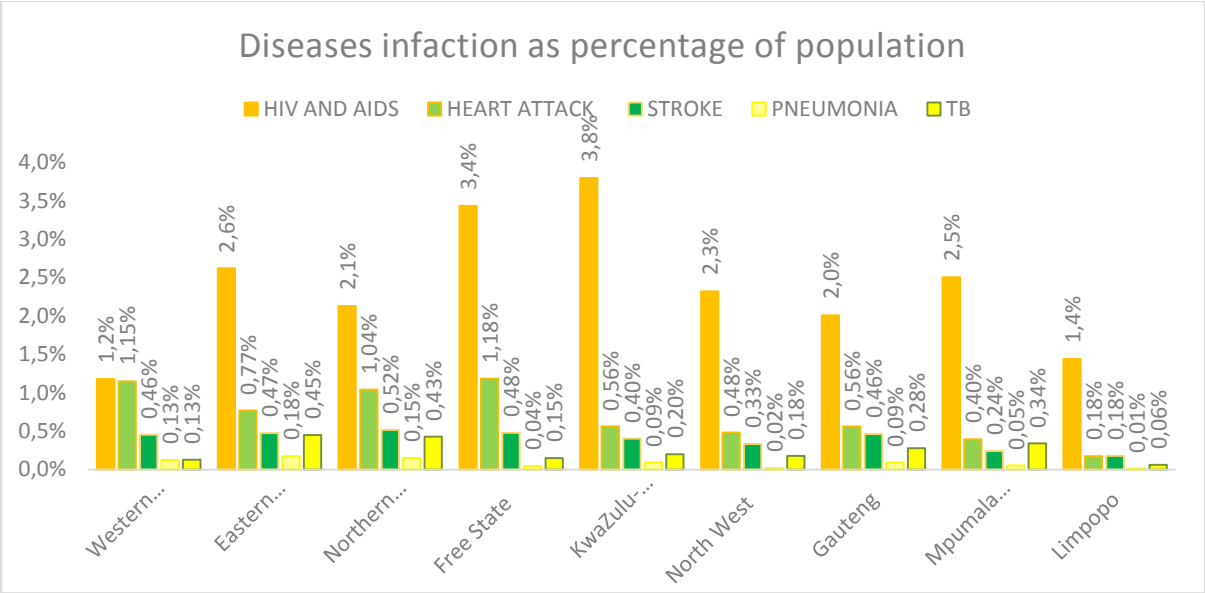
It is noticeable that the highest percentage of household would firstly go to public clinics since is easily accessible even in the rural areas without paying any cent. The only 0.5 percent nationally and 0.8 percent in Limpopo indicate that they will go to a traditional healer.

7.3. Infection disease as percentage of total population

The table below demonstrate the percentage of five most infection disease in the population from defferent provinces in 2014. The highest burden of HIV/AIDS is recorded in Kwazulu Natal province by 3.8 percent from the total provincial population, followed by Free State at 3.4 percent. Heart attack disease burden is mostly dominate in Free State and Western Cape province at 1.2 and 1.1 percent. Limpopo province

recorded low burden of HIV/AIDS and Heart attack infection by 1.2 and 0.18 percent respectively

Figure 34 Infection disease as percentage of total population



Source Stats SA super web 2015

Stroke is more dangerous disease that’s kills more people in the country and its infection is recorded highly in the Northern Cape at 0.52 percent. Limpopo province experienced the lowest infaction burden of this three diseases namely Stroke, Pneumonia and Tuberculosis that recorded 0.18, 0.01 and 0.06 percent respectively.

7.4. Medical aid coverage

The table above indicate the medical aid coverage percentage in the different provinces for the period from 2004 to 2014 respectively. Gauteng province recorded the highest percentage of medical aid coverage in 2014 at 23 percent and followed by Western Cape at 21.5 percent, and Northern Cape at 16.4 percent. Limpopo is the province with lowest percentage of medical aid coverage at 7.8 in 2014.

Table 5 Medical aid coverage percentage

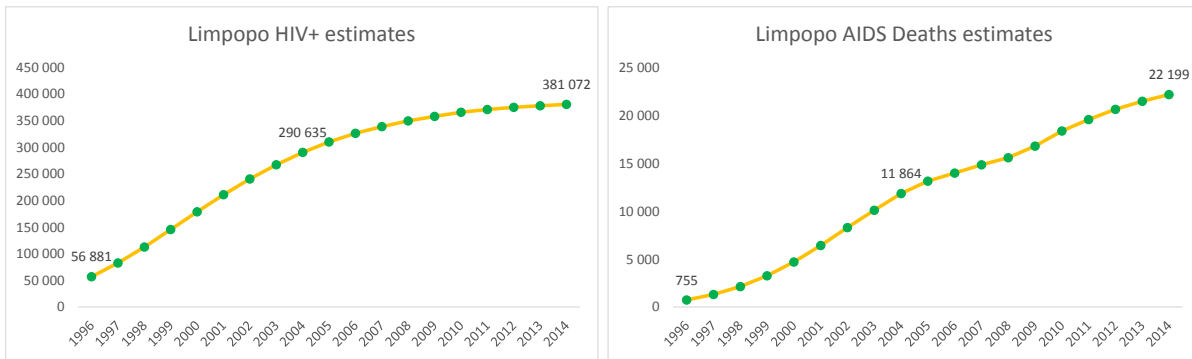
medical aid	EC	FS	GP	KZN	LP	MP	NC	NW	WC	SA
2004 GHS	10	14.6	27.3	9.7	6.8	10.6	13.5	10.8	24.7	15.1
2004 med schemes	9.1	11.3	26.9	10.4	5.5	13.1	13.8	9.5	24.6	14.8
2005 GHS	10.1	13.7	22.3	10.1	7.3	10.1	13.3	12.4	22.2	14
2005 med schemes	9.1	11.5	26	10.4	5.1	13.4	12.9	10.1	22.5	14.5
2006 GHS	10.4	15	21.9	10	7	10.9	11.9	14.6	18.6	13.8
2006 med schemes	9.3	12	26	10.8	5.9	14	13.3	10.9	22.8	14.9
2007 GHS	10.8	16.1	21.4	10.8	7.9	10.8	13.1	11.4	22.6	14.4
2007 med schemes	9.9	12.3	27.4	11.4	6.4	14.6	14.1	11.7	24	15.8
2008 GHS	10.9	15.1	26.6	11	8.4	13.3	14.2	12.4	24.5	16
2008 med schemes	9.9	12.3	27.4	11.4	6.4	14.6	14.1	11.7	24	15.8
2009 GHS	11.4	18	26.6	12.5	8.7	13.3	15.4	13.7	25.5	16.9
2009 med schemes	10.4	13.1	27.6	11.8	7.3	15.3	14.7	12.8	24.2	16.4
2010 GHS	12.1	16.8	26.5	15.7	8.6	14.6	13.6	14.7	24.4	17.6
2010 med schemes	10.5	13.8	26.9	12.1	7.5	15.9	15.9	14.4	24.8	16.6
2011 GHS	11.1	17	23.9	12.3	7.2	14.4	13	13.6	25.1	16.1
2011 med schemes	10.9	14.5	25.3	12.8	8.1	14.5	15.9	14.3	22.6	16.5
2012 GHS	10.9	18.1	29	12.3	8	14.5	18.9	14.1	25.2	17.9
2012 med schemes	10.8	14.8	24.3	13.2	8.3	15.2	17.2	15	22.8	16.6
2013 GHS	10.5	17.1	29.3	13.3	9	15.6	20.2	15.6	25.7	18.4
2013 med schemes	10.9	14.9	24.1	13.2	8.4	14.8	17.4	15.4	22.6	16.6
2014 GHS	10.5	17.9	28.2	12.8	8.6	14.9	19.8	14.8	26.3	18.1
2014 med schemes	10.2	14.4	23	12.1	7.8	14	16.4	14.4	21.5	16.3

Source: Health system trust 2015

7.5. HIV/AIDS Profile in Limpopo

The HIV/AIDS pandemic presents the country and the province in particular with tremendous challenges because of the negative social and economic consequences associated with the virus. As the economically active population becomes infected with the disease, the economy loses its skilled and experienced labour force; high absenteeism from work and also the parents of young children die and leave orphans. The pandemic increases recruitment and training costs for replacing workers. This in turn results in increased production costs for business and government

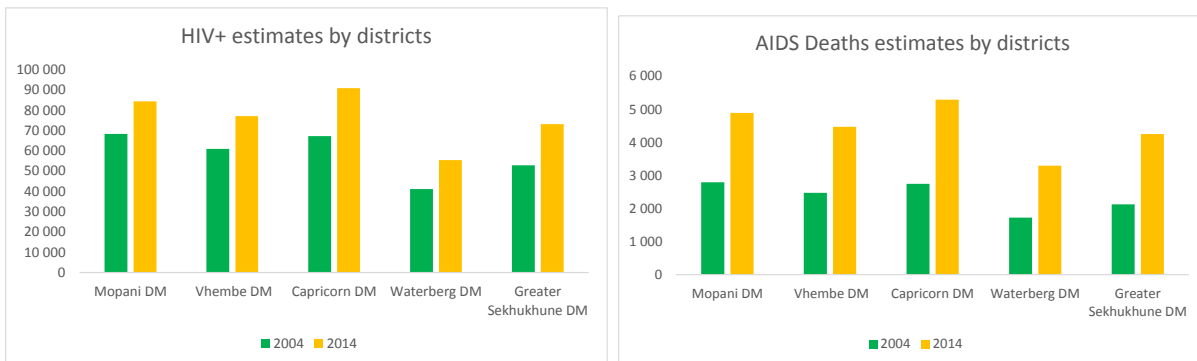
Figure 35 HIV positive estimates and (b) AIDS Death estimates in Limpopo



Regional Explorer 2015

Figure above shows the number of people who were HIV positive and the death estimates in Limpopo between 1996 and 2014. The trend shows that there has been an increase in both HIV positive and Aids death in the period under review; although there is slow growth in HIV infections and AIDS related death from 2008 to 2014. This shows that government awareness campaigns and the introduction of ARV’s have played a significant role in curbing the pandemic, even though more work still needs to be done to fight the pandemic.

Figure 36 (a) HIV prevalence and (b) death estimates per district municipality



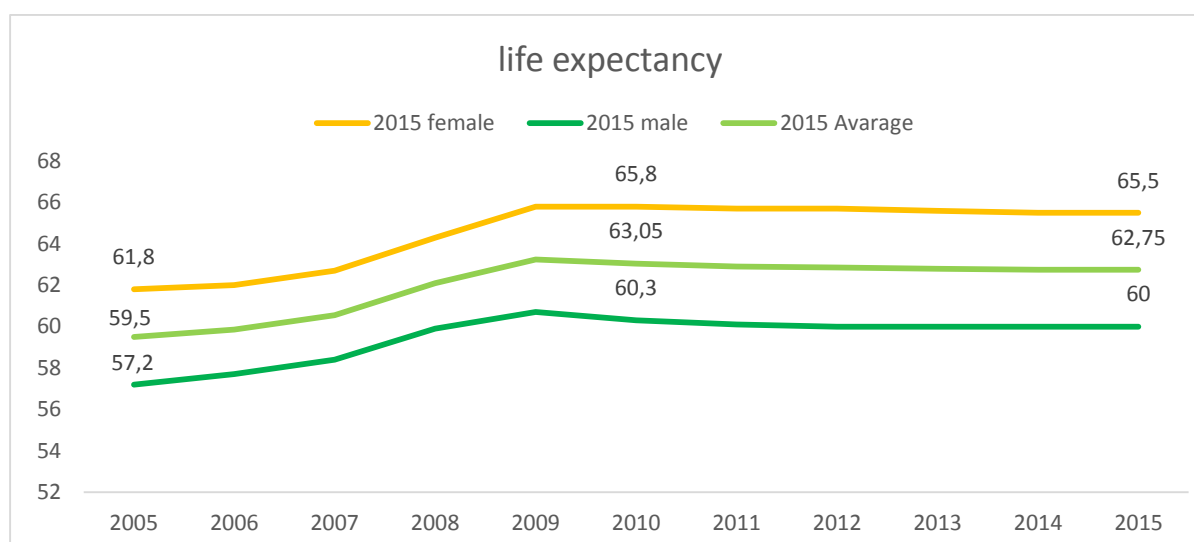
Source: Regional Explorer 2015

The figure above shows that there is an increase in prevalence of HIV in Limpopo from 2004 to 2014, with all district municipalities being above 50 000 people who are infected in 2014, the highest being Capricorn at 91 thousand and the least being Waterberg 55 thousand. In terms of the death estimates, Capricorn is the highest reaching a figure above 5 thousand death in 2014, and the least death are in Waterberg at 3 thousand in 2014.

7.6. Life expectancy in Limpopo

Life expectancy is described as the average number of additional years a person could expect to live if current mortality trends were to continue for the rest of that person's life. Life expectancy constitute one of the factors that are considered in measuring the human development index (HDI) along with education level by enrolment, adult literacy and the standard of living deputations by income.

Figure 37 Life expectancy in Limpopo



Source: Health system trust 2015

The figure above illustrate the comparison of life expectancy between male and female in Limpopo province for the period of 10 years until 2015. Average life expectancy at birth for the Limpopo province increase from 60 years in 2005 to 63 years in 2015. It is evident that life expectancy is affected by the HIV/AIDS pandemic and other emerging diseases such as animal diseases that are passed on to humans, avian flu and swine flu, malaria, tuberculosis, and heart attack. According to Health System Trust, life expectancy at birth in both male and female increased from 57 years for male and 62 years for female in 2005 to 60 years male and 66 years female in 2015.

7.7. Conclusion

It is noticeable that Limpopo province recorded the lowest percentage of medical aid coverage and this put pressures on the provincial government. The largest number of households depending mostly on provision of government health facilities such as clinics since are easily accessible in the rural areas, with no financial implication. The full implementation of the National Health Insurance (NHI), will provide access to quality, affordable personal health services for all people in the province based on their health needs, irrespective of their socioeconomic status and will relieve the public health of congestion.

8. Education Overview

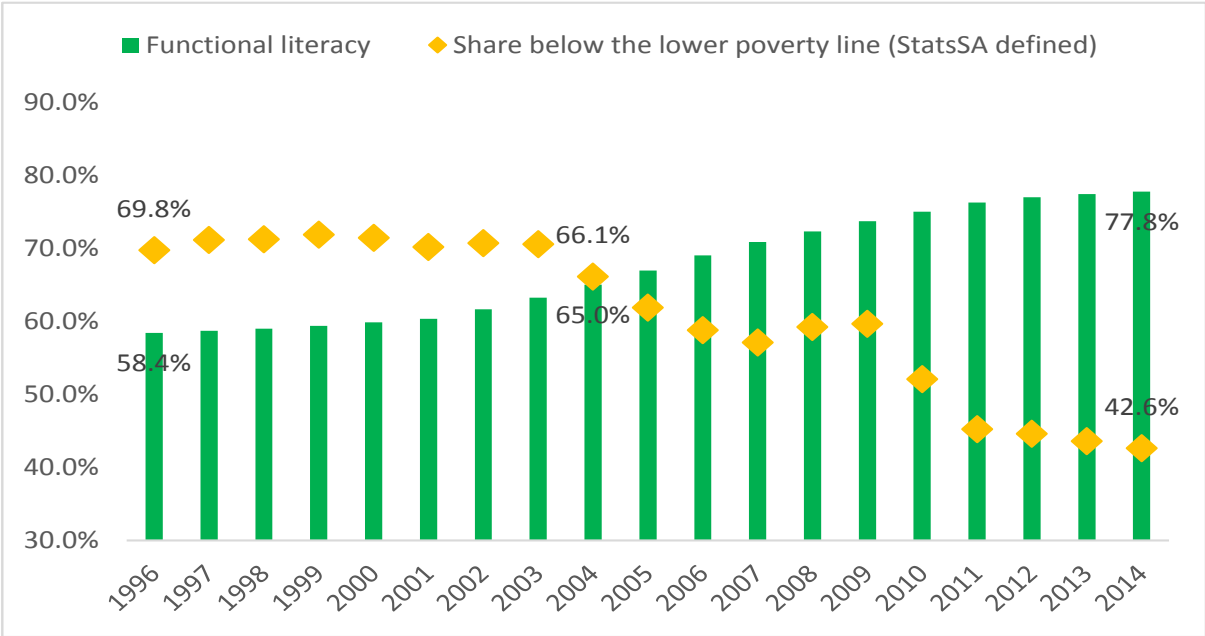
8.1. Introduction

Education is always considered to be an important key for socio-economic growth and development in a nation. Education does not only afford citizens of a country chances to get access to economic opportunities, but also informs social development plans that the government puts in place. It is essential for any government that is aspiring to grow its economy and to improve the lives of people to prioritise education. It is for this reason that education is included in both the National Development Plan (NDP) and the Limpopo Development Plan (LDP).

8.1.1. Literacy

Literacy is always considered to be an important key for socio-economic growth, thus plays a key role in economic growth of the province.

Figure 38 Limpopo Functional literacy: age 15+, completed grade 7 or higher



Source: Regional Explorer 2015

The percentage of literate population in the province has increased from 65 percent in 2004 to 78 percent in 2014. The rise in literacy rate was accompanied by reduced poverty levels. When the literacy rate rose from 65 percent in 2004 to 77.8 percent in

2014, poverty levels reduced from 66.1 percent in 2004 to 42.6 percent in 2014. The reduction in poverty is not solely determined by literacy rate, nevertheless, literacy plays a very important role in economic development. The rise in literacy rate is a positive achievement on the part of government as literate population is likely to engage in calculated consumer decision making and government will be able to effectively communicate to the people it is serving.

8.1.2. Limpopo highest level of education

The province is witnessing a growth in the number of people in possession of matric certificate only, the number having grown from 312 thousands in 1996 to 673 thousand in 2014. These pupils have limited choices of either joining the labour market or further their education. This implies that government needs to proactively plan on ways of accommodating the learners in higher learning institutions and coming up with labour intensive programmes to reduce youth unemployment.

Table 1.4: Limpopo Highest level of education and percentage changes

Highest level of education: age 20+		1996	1999	2004	2009	2014
No schooling	Number	749 547	744 218	673 008	514 708	442 051
	% Change		-0.7%	-9.6%	-23.5%	-14.1%
Grade 0-2	Number	26 866	41 069	62 645	73 935	74 947
	% Change		52.9%	52.5%	18.0%	1.4%
Grade 3-6	Number	261 370	292 464	325 793	340 424	301 944
	% Change		11.9%	11.4%	4.5%	-11.3%
Grade 7-9	Number	380 654	414 031	489 458	585 988	604 147
	% Change		8.8%	18.2%	19.7%	3.1%
Grade 10-11	Number	324 672	352 982	461 712	686 137	783 886
	% Change		8.7%	30.8%	48.6%	14.2%
Certificate / diploma without matric	Number	26 599	23 021	19 963	19 879	20 496
	% Change		-13.5%	-13.3%	-0.4%	3.1%
Matric only	Number	312 159	330 428	417 247	569 362	672 754
	% Change		5.9%	26.3%	36.5%	18.2%
Matric & certificate / diploma	Number	87 464	102 759	125 742	165 169	187 792
	% Change		17.5%	22.4%	31.4%	13.7%
Matric & Bachelors degree	Number	29 811	33 848	47 016	68 010	78 189
	% Change		13.5%	38.9%	44.7%	15.0%
Matric & Postgrad degree	Number	5 896	10 071	17 791	25 680	36 086
	% Change		70.8%	76.7%	44.3%	40.5%

Source: Regional Explorer 2015

8.1.3. Limpopo Highest level of education by district

There is a reduction in the number of people with no schooling in the province from 2004 to 2014, the largest drop was recorded in Waterberg, Mopani and Greater Sekhukhune district at 65.0, 56.0 and 52.3 per cent respectively. The districts which recorded the least of drop in the number of people with no schooling is Vhembe at 48.6 per cent. Greater Sekhukhune recorded largest growth rate in the number of people in possession of matric certificate only at 49.9 per cent, followed by Waterberg and Mopani at 39.8 and 35.4 per cent respectively. Capricorn and Vhembe district least growth rate in the number of people in possession of matric certificate only is at 34.2 and 33.7 per cent respectively, this call for intervention by the provincial government to address the situation in these districts.

Table 6 Limpopo Highest level of education in the province by district

	Mopani DM			Vhembe DM			Capricorn DM			Waterberg DM			Greater Sekhukhune DM		
			%			%			%			%			%
	2004	2014	growth	2004	2014	growth	2004	2014	growth	2004	2014	growth	2004	2014	growth
No schooling	170 557	109 353	-56.0%	154 521	103 959	-48.6%	118 902	78 359	-51.7%	71 369	43 241	-65.0%	157 676	103 550	-52.3%
Grade 0-2	13 545	13 830	2.1%	14 866	17 430	14.7%	12 413	15 659	20.7%	11 229	13 004	13.6%	10 594	15 244	30.5%
Grade 3-6	69 014	59 736	-15.5%	71 643	67 258	-6.5%	72 056	68 988	-4.4%	59 086	48 478	-21.9%	54 014	56 486	4.4%
Grade 7-9	99 846	119 837	16.7%	118 317	146 566	19.3%	116 444	136 576	14.7%	75 772	89 884	15.7%	79 126	110 970	28.7%
Grade 10-11	95 141	154 606	38.5%	106 483	175 875	39.5%	109 191	173 105	36.9%	63 926	109 364	41.5%	87 016	172 696	49.6%
Certificate / diploma without matric	4 245	3 472	-22.3%	5 127	5 364	4.4%	5 046	5 849	13.7%	2 747	3 061	10.3%	2 802	3 104	9.7%
Matric only	81 623	126 415	35.4%	97 517	147 121	33.7%	116 032	176 474	34.2%	59 444	98 793	39.8%	62 721	125 189	49.9%
Matric & certificate / diploma	25 494	33 964	24.9%	30 295	44 261	31.6%	36 102	61 178	41.0%	16 700	24 649	32.2%	17 170	26 331	34.8%
Matric & Bachelors degree	9 434	12 961	27.2%	11 911	19 869	40.1%	15 345	26 916	43.0%	5 652	9 542	40.8%	4 688	8 446	44.5%
Matric & Postgrad degree	3 116	6 016	48.2%	4 821	8 953	46.2%	6 031	12 548	51.9%	2 383	4 605	48.3%	1 449	3 927	63.1%

Source: Regional Explorer 2015

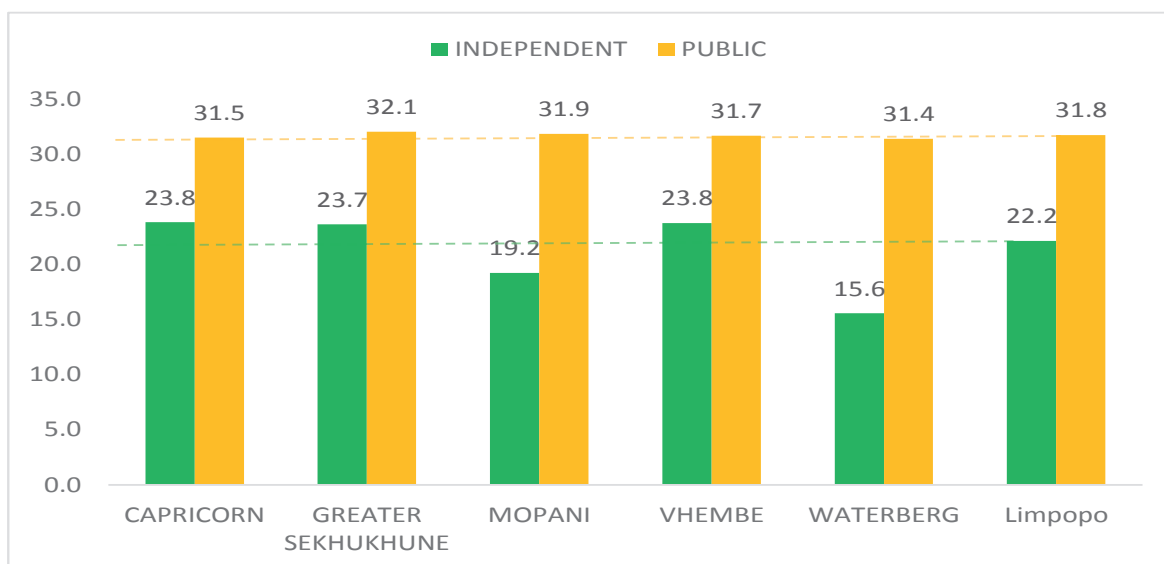
8.1.4. Learner to educator ratio

A Learner Educator Ratio (LER ¹) expresses the relationship between the number of students enrolled in a school and the number of teachers employed. The LER is a tool used to measure an educator's workload and resource allocation as well as individual attention a learner is expected to receive from the teacher.

¹ Calculated by dividing the total number of learners enrolled in schools by the total number of teachers in the school.

For effective learning process the national department of basic education has proposed an acceptable LER which is 30:1. The Limpopo province on average has recorded LER of 31:1 in 2015. This is marginally above the acceptable ratio of 30:1. Generally high number of learners in a class is associated with factors such as “chaos” in-terms of noise in the class, not all learners will receive attention, concentration-span will tend to decrease as interruptions will occur, and all these factors will lead to learners not receiving the proper and entire content of the subject being taught. The Private school LER is significantly lower than the public schools’ LER. In 2015, the average LER for private schools was 22:1, lower by 9 learners.

Figure 39 LP Learner to educator ratio



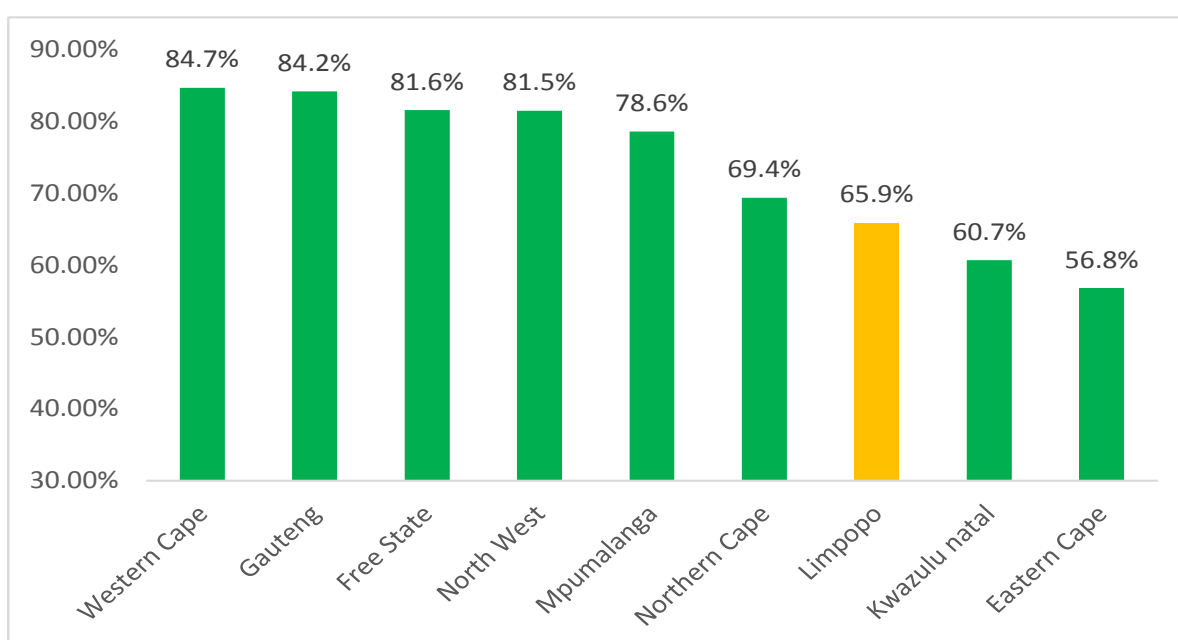
Source: Limpopo Department of Education

The highest LER in the private schools is 28:1, which is shared between Capricorn, Greater Sekhukhune and Vhembe districts. The lowest ratio was recorded in Waterberg, sitting at 15:1

8.1.5. Matric pass rate 2015

The year 2015 experienced a number of interesting developments with the largest cohort of candidates registering for the examinations than ever before. A total of 799 thousand candidates wrote the National Senior Certificate in 2015 with 668 thousand full time candidates and 7 million scripts were marked by 41 thousand markers at 121 marking centres around the country. Progressed learners totalled 66 thousand making up 9 percent of all candidates writing the examinations.

Figure 40: The 2015 matric exam national pass rate



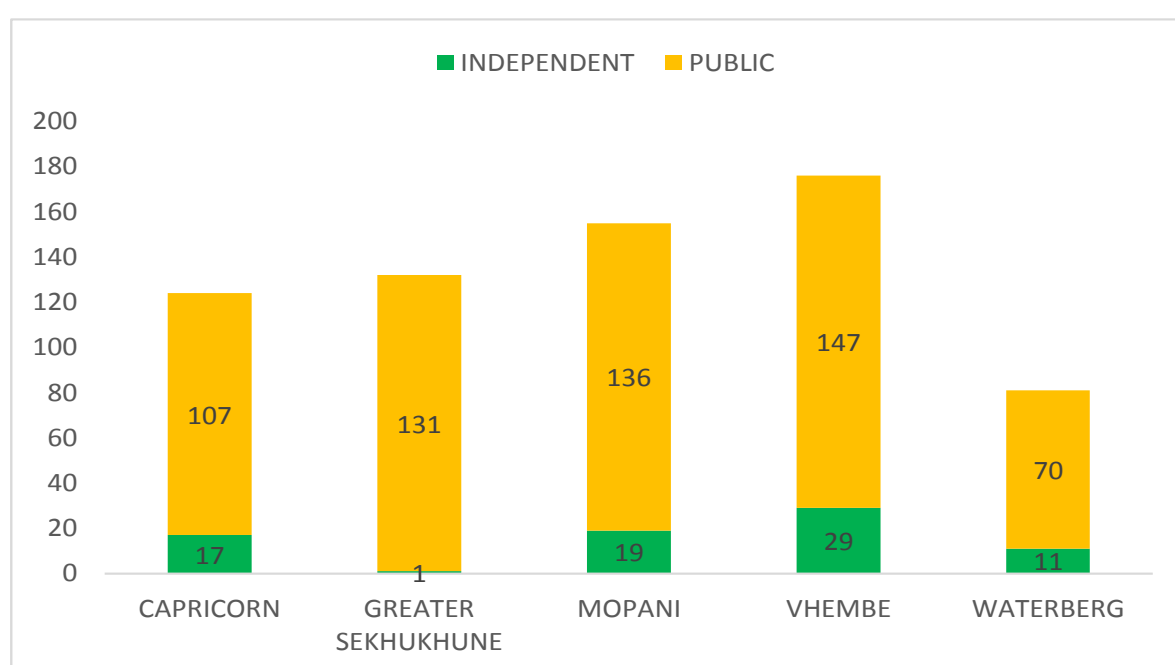
Source: National Department of Basic Education 2015

The three biggest rural provinces namely Eastern Cape, KwaZulu-Natal and Limpopo recorded the worst performance leading to a 9 percent drop in the national pass rate which had 53 percent of the country's matric population who wrote exams in 2015. The largest number of candidates in 2015 were attributed to KwaZulu-Natal, followed by Gauteng and Limpopo. The Western Cape is the best performing province in 2015 with 84.7 percent pass rate, while Gauteng close on its heels with an 84.2 percent pass rate. The Free State was the third-best performing province with an 81.6 percent pass rate. Limpopo recorded a pass rate of 65.9 percent as compared to 72.9 percent in 2014.

8.1.6. Schools with Libraries or information centres

School libraries help to support the schools' curriculum by providing learners and teachers with access to a wide variety of information resources, exposing learners to diverse ideas, experiences and opinions. Equitable access to information resources by teachers and learners is absolutely essential to enable them to execute their curriculum-related tasks and activities. Information access refers to an entire range of possibilities for making information and information services available to the users.

Figure 41 Number of Limpopo schools with a library in 2014

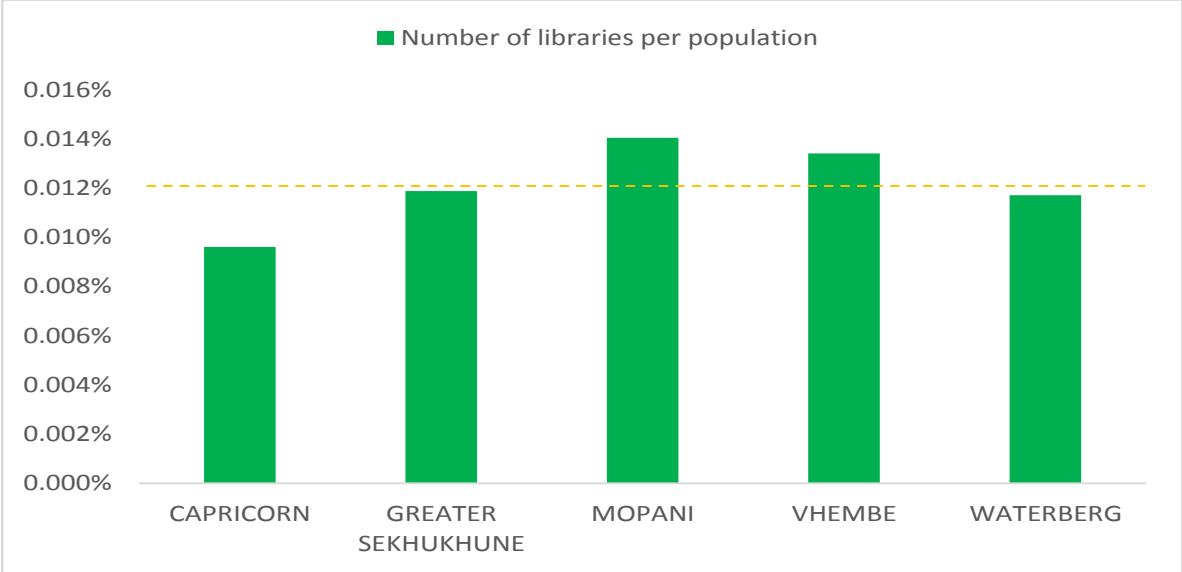


Source: Limpopo Department of Education

Generally there are more public libraries as compared to the private libraries. There are 668 libraries in the province of which 88.5 percent is public and the residual of 11.5 percent is private libraries. An increase in the number of libraries may be associated with increasing literacy rate in the province and this may increase the metric results pass rate, indicating that a positive relationship may occur between the two variables. Vhembe district has the largest number of both private and public libraries recorded at 176, this is due to the fact that the district has the largest population size in the province that makes up 24 percent of the total population. It is followed by Mopani district with

155 libraries. Greater Sekhukhune, Capricorn and Waterberg have 132, 124 and 81 libraries respectively.

Figure 42 Number of libraries per population

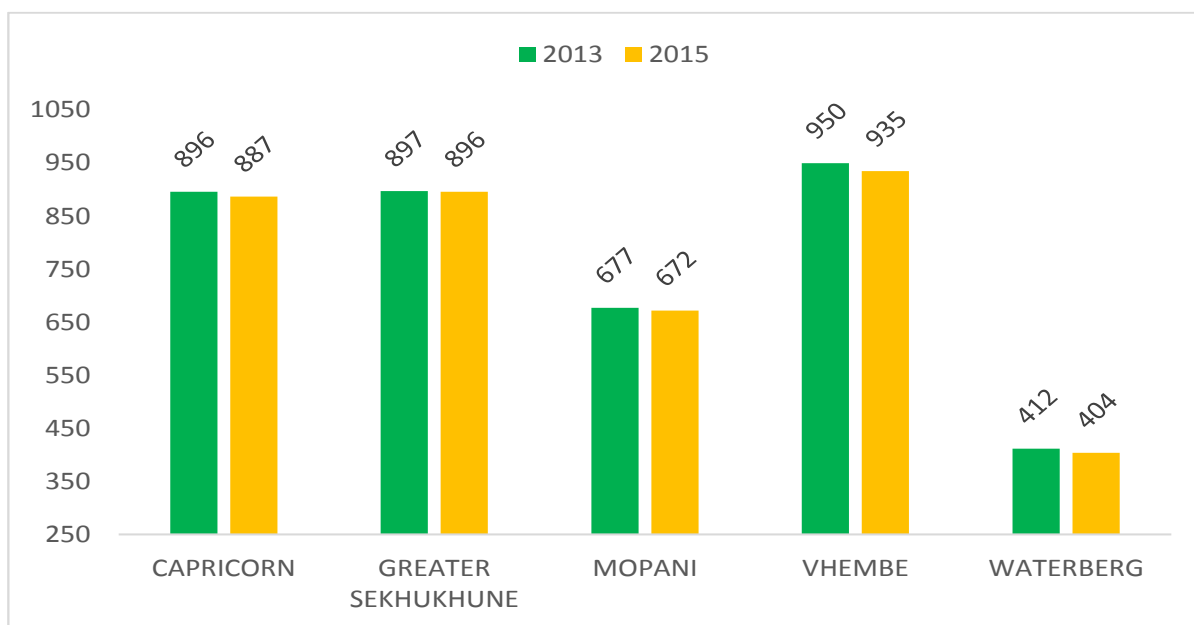


Source: Limpopo Department of Education

The number of libraries as per the district population is recorded at 0.012 percent on average. Capricorn and Waterberg districts are marginally falling short of the average. There are less libraries in the two districts as a proportion of the total population. On average, Mopani and Vhembe district have relatively more libraries compared with other districts compared to the proportion of each district's population.

8.1.7. School Nutrition

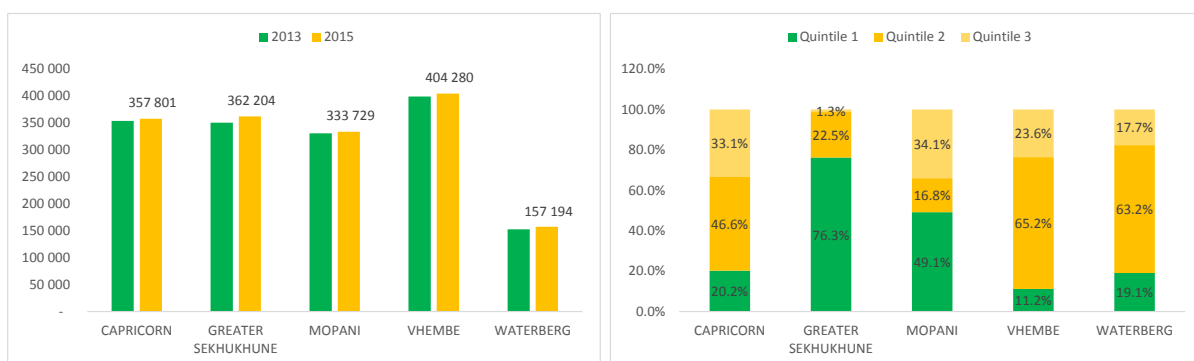
Figure 43 Number of schools benefiting from NSNP



Source: Limpopo Department of education

A key output of the National School Nutrition Programme (NSNP) is to provide nutritious meals to learners in quintiles 1 to 3 primary and secondary schools as well as identified special schools. There is a decline in the number of schools benefiting from the feeding scheme, in total a reduction of 38 schools since 2013 to 2015.

Figure 44 Number of learners benefiting from NSNP and by quintiles



Source: Limpopo Department of education

Although the number of schools benefiting from NSNP is diminishing marginally, yet the number of learners benefiting from the NSNP is increasing overtime. The largest

pool of learners benefiting from NSNP are in the Vhembe district, however the majority of learners benefiting in quintile 1 are in Greater Sekhukhune and Mopani district. While those in Capricorn, Vhembe and Waterberg are in quintile 2.

8.1.8. Policy Imperatives

There seem to be a relationship between variables such as the level of education, crime, and unemployment rate. An increase in the number of libraries in communities will reduce the level of crime and unemployment rate.

There is overwhelming evidence that school feeding programmes improve attendance at schools as well as performance of disadvantaged learners. School feeding schemes can minimise the effects of malnutrition. Improvement to the scheme may include among others:

1. Feeding schemes should be extended to include all learners wherever possible.
2. Schools should establish food gardens to grow their own food, and to teach appropriate food production methods.
3. Appropriate menus need to be developed that meet the nutritional needs of the learners.
4. Effective distribution and storage arrangements need to be found.
5. Various food preparation options should be considered and community involvement needs to be encouraged.

8.2. Conclusion

Economic prosperity of a country entirely depends on the available economic resources as well as its human resources. Human resource includes the population, its growth rate, skills, standard of living and the working capacity of the labour force and all the above factors can be enhanced by increasing the education levels of a population, thus education plays a key role in economic growth of a country.

To improve and attain the LDP targets in relation to matric pass rate, the provincial government needs to provide educator development programmes to improve the

delivery of the curriculum in schools. This should be complimented by ensuring low educator turn-over rate which increases the Learner Educator Ratio (LER) and ensure that there is adequate Learner teacher support material (LTSM). The national LTSM policy has been introduced to ensure that all the injustices and inequalities of the past, with regards to learner support, are addressed. This is done by ensuring that all learners are equitably provided with all the means to support their leaning process.

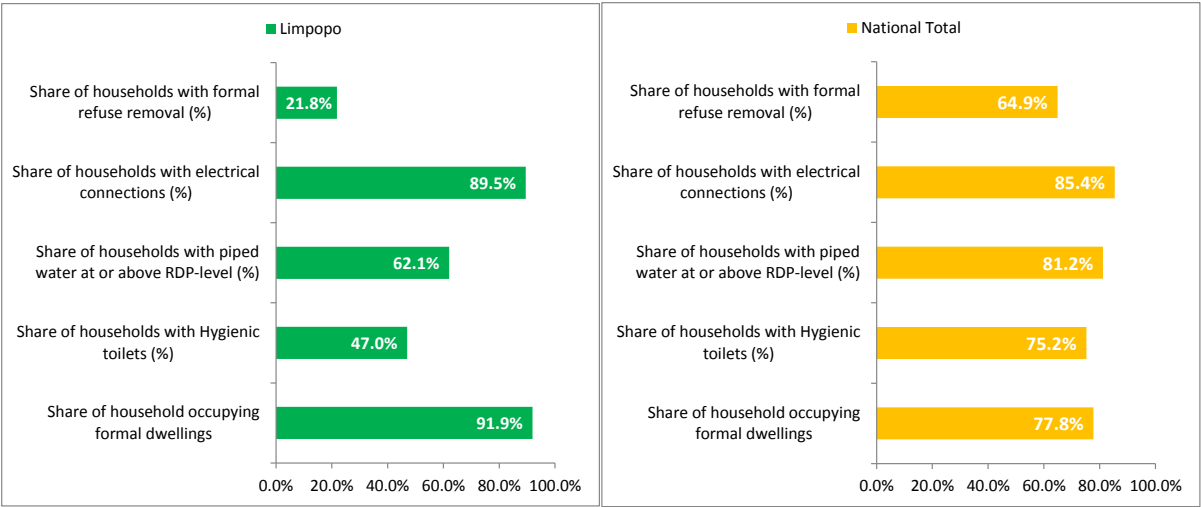
9. Household Infrastructure Overview

9.1. Introduction

There is a general consensus that basic social services are the building blocks for human development. By providing basic services effectively, leveraging municipal spending to create local jobs, and facilitating local economic development (LED), rural municipalities can play a very important role in alleviating the worst forms of poverty and facilitating development in rural areas.

The provincial government has made significant strides in providing basic services to its citizens, as at 2014 about 89 percent of households in the province have electricity connections, while about 91 percent of the households occupy formal dwellings. More still needs to be done as there are only 21 percent of the households that have formal refuse removal and only 47 percent households that have hygienic toilets. The share of Limpopo households with access to piped water is about 62 percent.

Figure 45 Limpopo Share of households receiving basic services at Provincial and National level



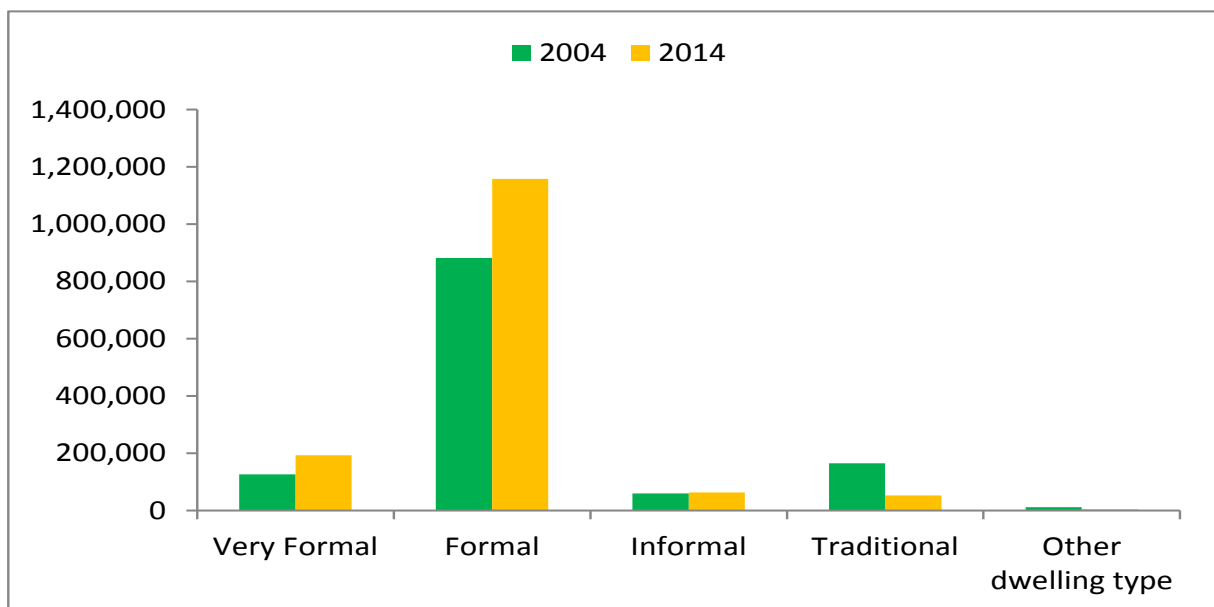
Source: Regional Explorer 2015

The province compares well with the national average on households that have access to electricity and formal dwelling, however it has to improve in provision of formal refuse removal, access to water, and hygienic toilets to households.

9.1.1. Housing

There is a rise in the number of households living in formal and very formal dwellings in the province. The provision of RDP houses has afforded many South Africans an opportunity to occupy decent dwellings that otherwise would have not afforded. As a critical vehicle to redress social injustices of the past the number of households living in formal and very formal dwellings in the province increased from 1 million in 2004 to 1.4 million in 2014. The number of traditional houses has declined from 164 thousand in 2004 to 63 thousand in 2014.

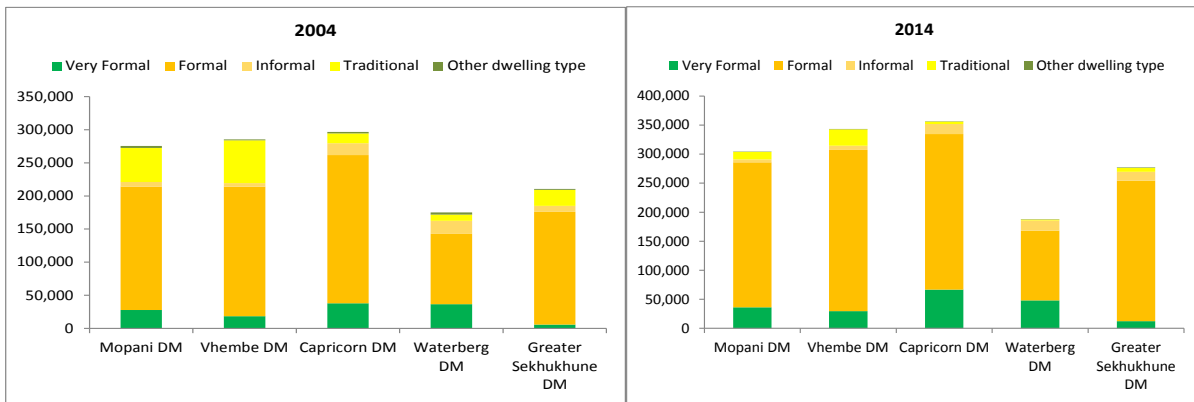
Figure 46 Distribution of Limpopo households and type of dwelling in 2014



Source: Regional Explorer 2015

Most districts in the province have witnessed an increase in the number of households occupying very formal and formal dwelling in the past decade. The largest growth in the number of households that occupied formal dwellings was in the Vhembe, Greater Sekhukhune and Mopani district. The same districts witnessed the largest reduction in the number of households living in informal and traditional dwellings.

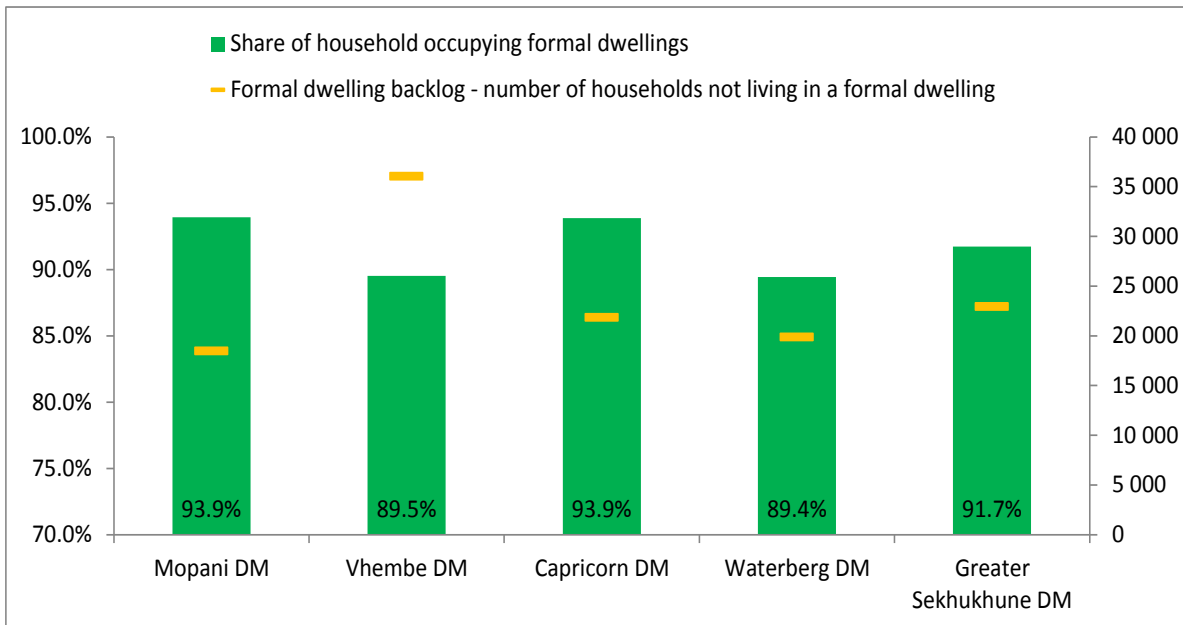
Figure 47 Access to housing in Limpopo Districts in (a) 2004 and (b) 2014



Source: Regional Explorer 2015

Although many citizens in the province have formal dwelling as indicated in the below diagram, Vhembe district has the largest housing backlog. About 36 thousand households in Vhembe do not have access to formal dwellings, this is followed by Greater Sekhukhune and Waterberg with a backlog of 23 thousand and 21 thousand households.

Figure 48 Share of household occupying formal dwellings and without formal dwelling

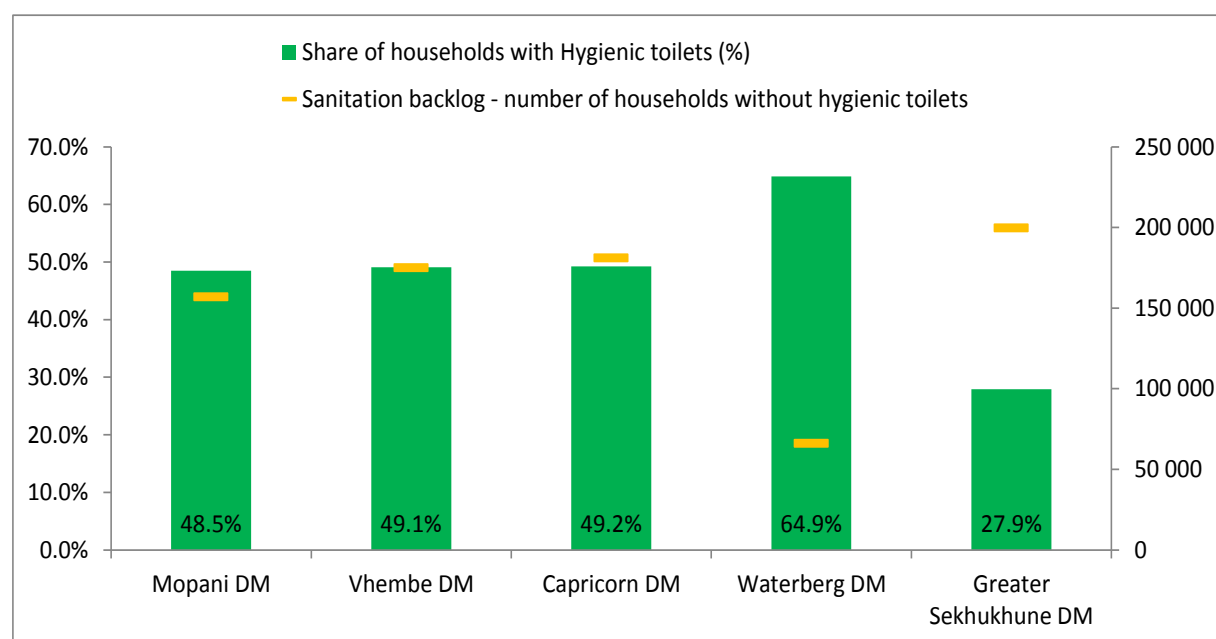


Source: Regional Explorer 2015

9.1.2. Sanitation

The provincial average of households with access to hygienic toilets is 47 percent. Waterberg district has the highest share of 64.5 percent households having access to hygienic toilets. It is followed by Capricorn, Vhembe, Mopani districts with 49.2, 49.1 and 48.5 percent respectively households who have access to hygienic toilets. The lowest share is in Greater Sekhukhune where only 27.9 percent of households have the access of hygienic toilets. Subsequently, Greater Sekhukhune has the largest sanitation backlogs relative to other districts.

Figure 49 Share of households with Hygienic toilets (%) and without hygienic toilets

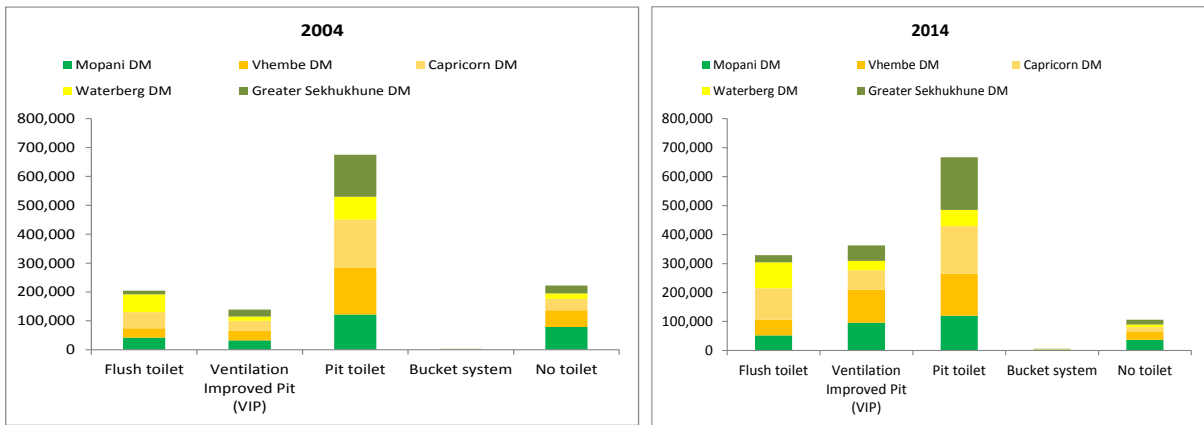


Source: Regional Explorer 2015

Most households, about 45 percent, use pit toilets, while about 25 percent use Ventilation Improved Pit (VIP). Only about 22 percent of households use flush toilet. Other forms of sanitation such as bucket systems is minimal but still need to be eliminated.

The districts that have the largest reduction in the number of households with no toilets was in Capricorn and Waterberg. While the largest number of households with flush toilets was in Capricorn and Greater Sekhukhune.

Figure 50 Types of sanitation used in Limpopo in 2014

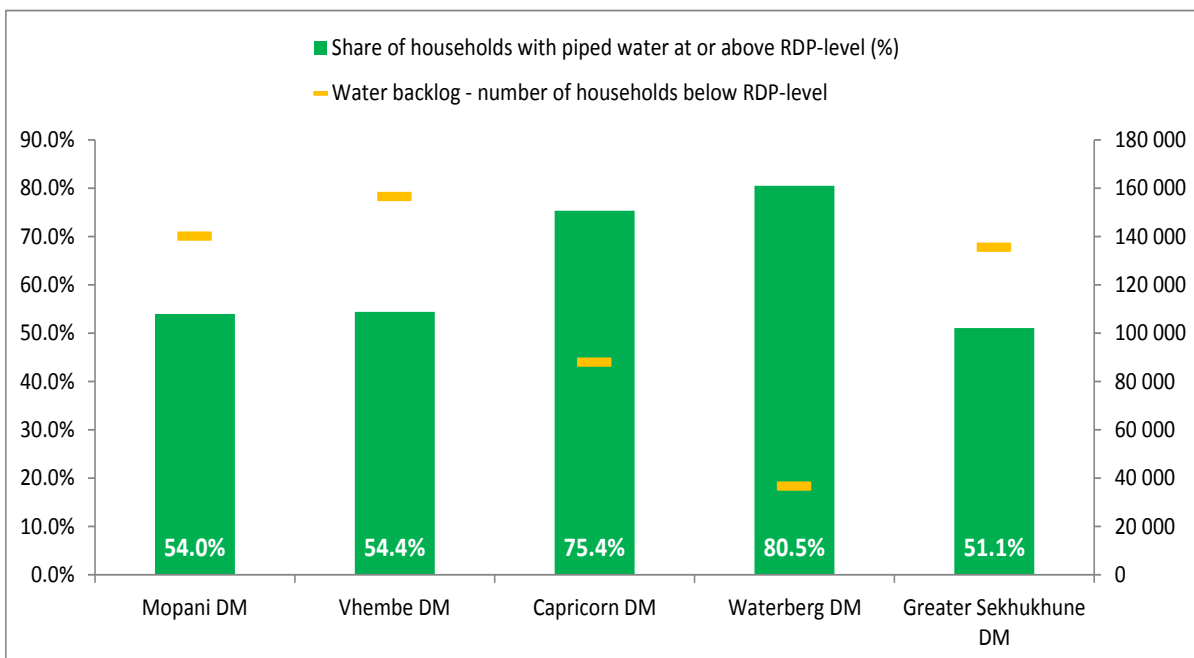


Source: Regional Explorer 2015

9.1.3. Water

About 62.1 percent of households in the province have access to piped water. Waterberg and Capricorn have the largest share of households having access to piped water, 80.5 and 75.4 percent respectively. Mopani, Vhembe and Greater Sekhukhune have about 50 percent of its citizens having access to piped water, subsequently, the three districts have the largest backlogs relative to the remaining two districts.

Figure 51 Share of households with piped water at or above RDP-level (%)

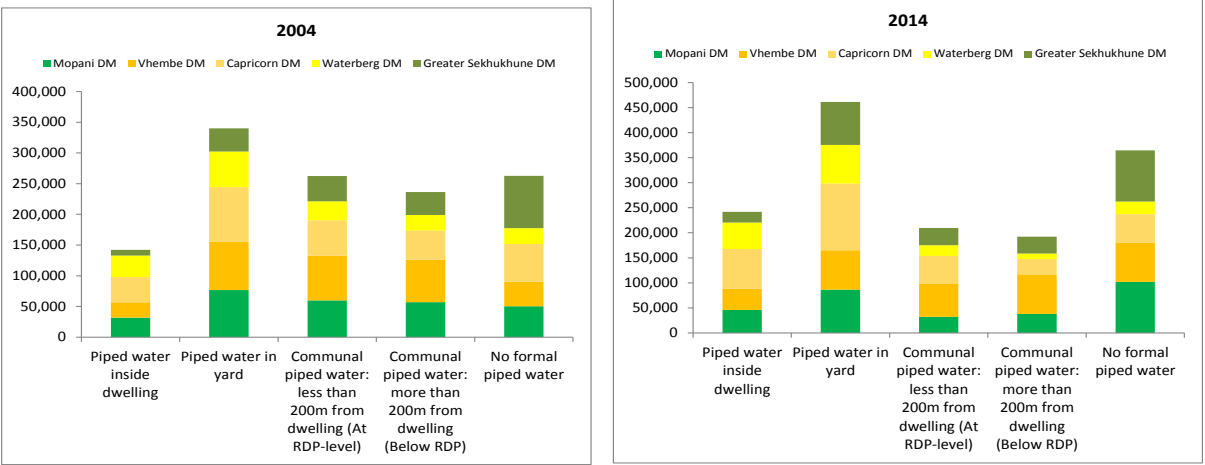


Source: Regional Explorer 2015

Figure below shows that in 2014 about 461 thousand households in Limpopo province are accessing water from piped water in the yard, while 364 thousand number of households with no formal piped water. About 241 thousand access piped water inside dwelling units, 209 household households access water from communal piped water less than 200m from dwelling and about 192 thousand households access water from communal piped water more than 200m from dwelling.

Capricorn district has the highest number of households accessing piped water in the yard and inside dwelling. Mopani, Sekhukhune and Vhembe districts have the highest number of households with no formal piped water, while Waterberg has the least number of households without formal piped water.

Figure 52 Sources of water in Limpopo in 2014

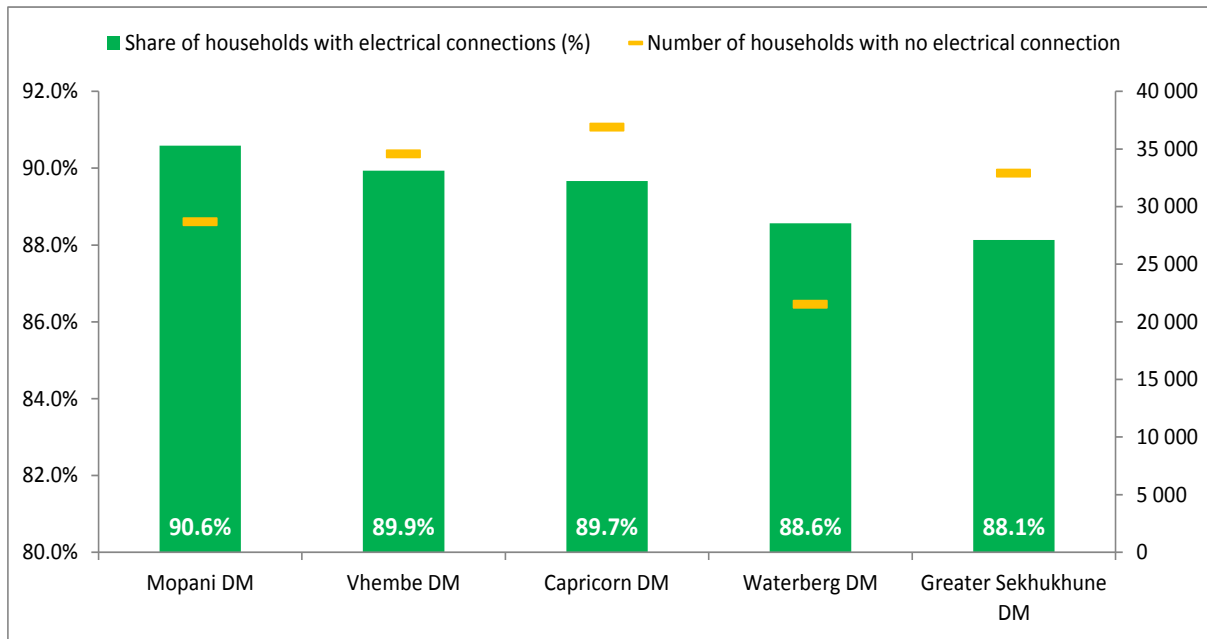


Source: Regional Explorer 2015

9.1.4. Access to Electricity

The provincial government has made strides in connecting residence with electricity supply. In 2014, 89.5 percent of households were connected to electricity. The Mopani district has the highest share (90.6 percent) of households connected to electricity. It was followed by Vhembe and Capricorn districts registering 89.9 and 88.6 percent respectively of households with electric connection. Capricorn, Vhembe and Greater Sekhukhune districts have the largest number of households without electricity connection 36 thousand, 34 thousand and 32 thousand households respectively.

Figure 53 Share of households with electrical connections (%) and without electricity

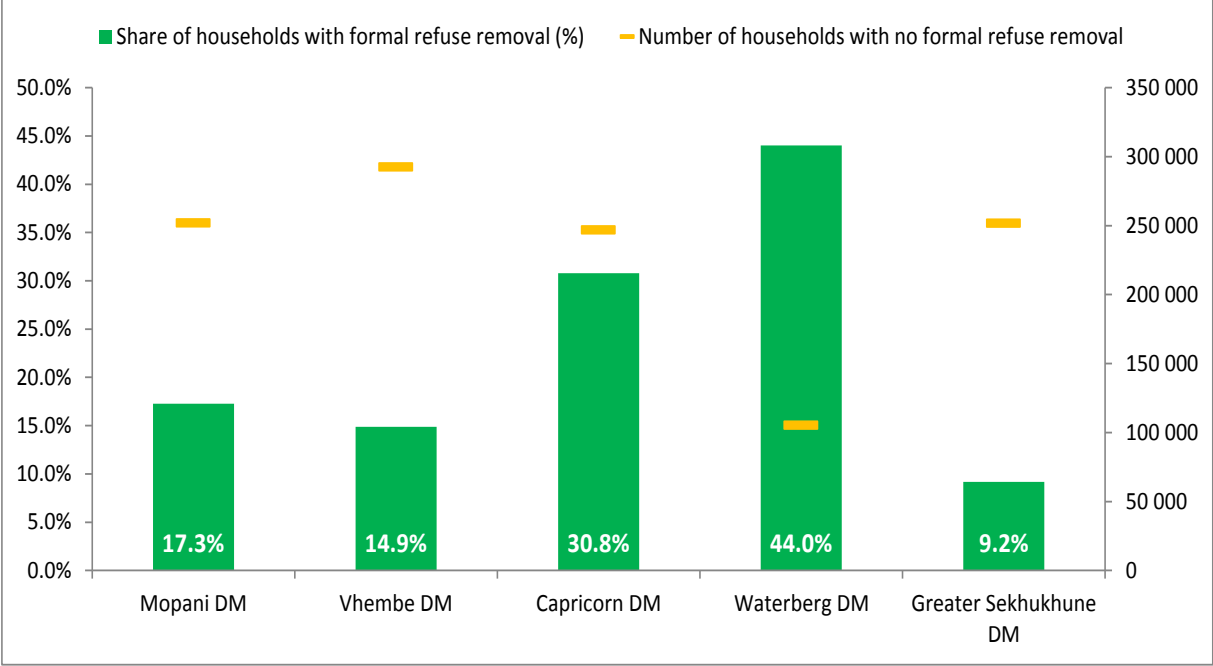


Source: Regional Explorer 2015

9.1.5. Refuse removal

Only about 21.9 of the total households in the province have access to formal refuse removal, significantly lower than the national average of 64.9 percent. Waterberg and Capricorn have the largest share of households having access to formal refuse removal sitting at 44.0 and 30.8 percent. The lowest share is found in Greater Sekhukhune and Vhembe recording 9.2 and 14.9 percent respectively. The largest backlog is in Vhembe and Mopani sitting at 292 381 and 251 888 respectively.

Figure 54 Share of households with formal refuse removal (%) and without refuse removal



Source: Regional Explorer 2015

9.2. Conclusion

The province is doing well in terms of putting its citizens under formal dwelling units and in terms of electricity connections, even though there is has high service delivery backlogs in formal refuse removal, Sanitation and water provision. This will require integrated infrastructure planning between the different tiers of government and the private sector to address the service delivery gaps. More financial resources should be channelled to households in marginalised locations in the province to avert these challenges.

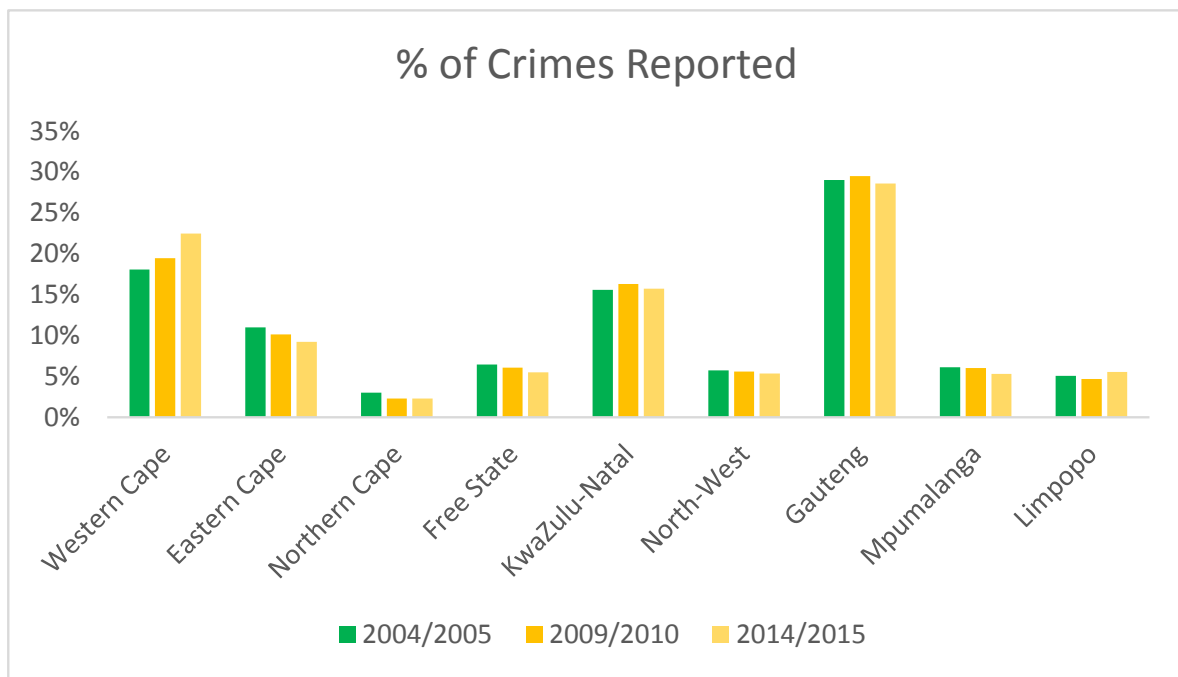
10. Crime Overview

10.1. Introduction

Crime as a social phenomenon has increasingly remained a major challenge to the daily lives of most people in South Africa. The level of crime is a socio-economic challenge that delays development in the society and is therefore of great concern to government. Woman and children are the most victims of crime which took place around the country. NDP and LDP envisages a safe society for all people and highlights safety as a core human right and it is necessary for human development and enhances productivity.

10.2. Provincial crime share of national total percentage

Figure 55 Provincial crime share of national total (%)



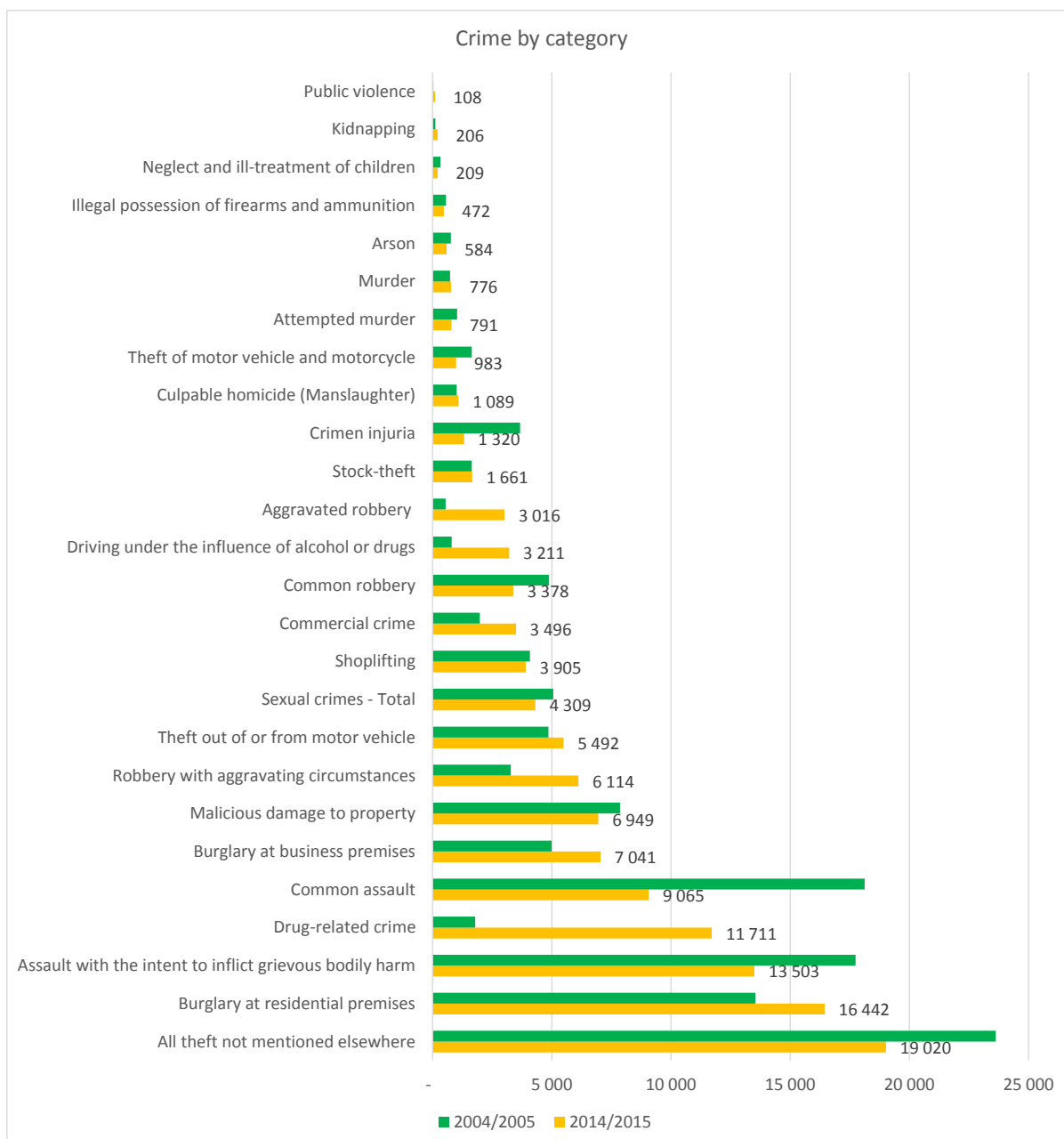
Source: Regional Explorer 2015

Almost 30 percent of all criminal activities have occurred in Gauteng province in 2014. This was followed by Western Cape and KwaZulu-Natal, with 22 and 16 percent. It almost suggests that there is a positive correlation between population growth, wealth and criminal activity. The lesser populated and less wealthier regions such as Northern Cape, Mpumalanga and North West accounted for the lowest crime incidents which

were 2 percent, 5 percent and 5 percent of the national total respectively. Limpopo is one of the least populous regions and its crime activity is relatively low sitting at 6 percent of the national total in 2014. The province experienced an increase in its crime contribution from 5 percent in 2004/05 to 6 percent in 2014/15 financial year. Indicating a growing concern in the safety of people and business activity in the region.

10.3. Limpopo crimes statistics per category

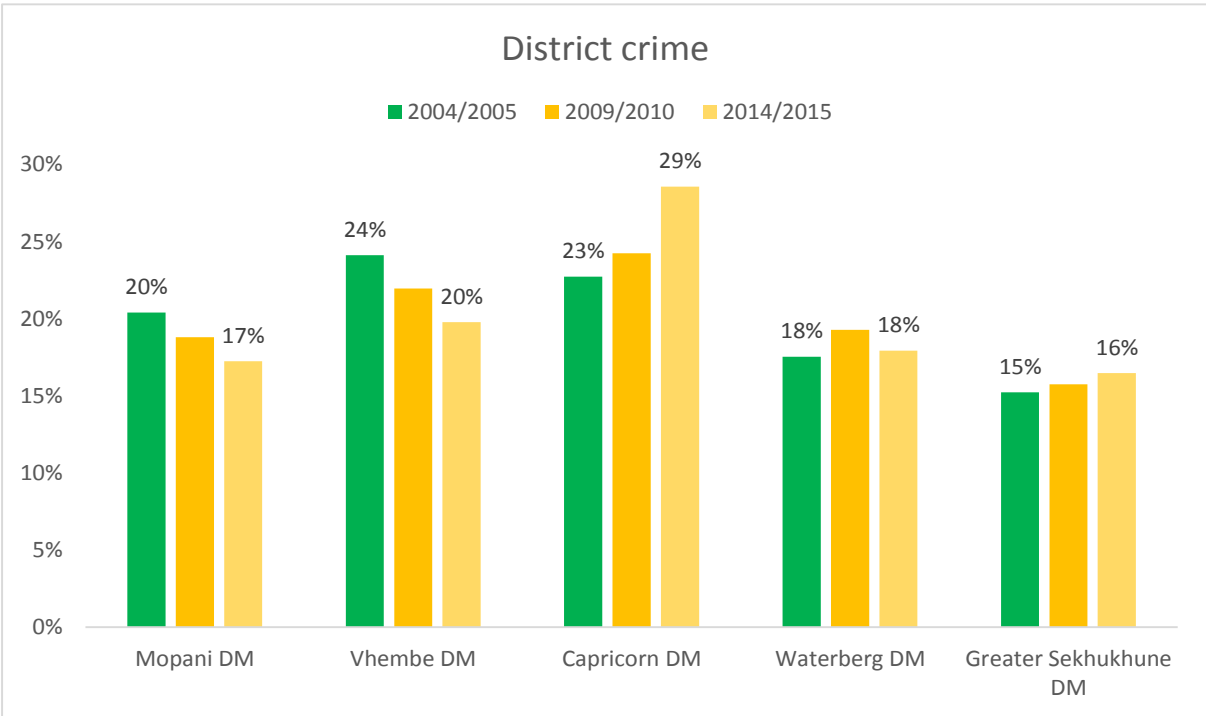
Figure 56 Limpopo crime stats by category 2014/15



Source: regional explorer 2015

Burglary at residential premises, Assault with the intent to inflict grievous bodily harm, Drug-related crime, Common assault and Burglary at business premises are the top five reported crimes during 2014/15 in the Limpopo Province. The frequency of reporting has reduced in over the years with the exception of Burglary at residential premises rising from 13 thousand in 2014/2005 to 16 thousand in 2014/2015 financial year. Other crimes that were not abated include Drug-related crime, Robbery with aggravating circumstances, Burglary at business premises, Driving under the influence of alcohol or drugs, and Aggravated robbery.

Figure 57 Limpopo crime stats by districts 2014/15



Source: regional explorer 2015

Capricorn district has the highest share of criminal activities in the province sitting at 29 percent which was an increase from the 23 percent in 2004/05. It was followed by Vhembe district registering crime contribution of 20 percent, and the district’s share is declining over time. Other districts had almost the same share, Mopani registering 17 percent, Waterberg 18 percent, while Greater Sekhukhune 16 percent.

10.4. Conclusion

There is a growing trend of residential and business robberies in the province which when they persist could hurt business confidence in the province and negatively affect the residential property market in the long run. The province need to ensure safety of all people living, working and investing in the province for the prosperity of the local economy.

11. Final Analysis

The world economy is projected to grow at a sluggish pace into 2016/2017 were much of the positive growth will be coming from the sub-Saharan economies. The implementation of development projects in economic and social infrastructure will support aggregate demand for goods and services. The South African economy can realise positive growth in the long run by developing trade channels and new markets in the African continent where the marginal propensity of growth is enormous.

The provincial population is growing at an average of 1.3 percent per annum. This growth is relatively moderate though service delivery needs to grow commensurately or well above this growth rate to avert service delivery backlogs. The provincial economy needs to be stimulated and create jobs for the desperate youth that are without jobs. The local economy would be more sustainable and developmental when the labour absorption rate increases over time.

Although unemployment in the province is the lowest, nevertheless, there are still a considerable number of people without employment in the province. If this situation is not addressed, it may lead to social instability and adverse consequences on the provincial fiscal policy. Nonetheless, it is important to develop consistent, efficient and effective strategies to support growth with job creation and equity particularly in rural regions of the province where poverty and unemployment incident is high.

The most important channel of achieving high living conditions and closing the income gap in the province is by having a job creating economy. Low employment and high

poverty levels will lead to high reliance on public goods and services which will adversely affect the provincial fiscus, at its worse situation diverting investment expenditure to social welfare. Government and private sector could improve the provincial HDI by providing more adult education, especially for those that have not been to school, ensure health facilities are accessible to everyone, especially in the rural outskirts of the province. And finally, increasing human development by raising the household income through descent and sustainable jobs.

The province has made progress in providing formal dwelling units and in terms of electricity connections, even though there is has high service delivery backlogs in formal refuse removal, Sanitation and water provision. This will require integrated infrastructure planning between the different tiers of government and the private sector to address the service delivery gaps. More financial resources should be channelled to households in marginalised locations in the province to avert these challenges.

In achieving a prosperous province, the provincial government has to ensure the safety of all the people living, visiting and investing in the province. The residential decisions and investment decisions are influenced by the economic and environmental factors. The LDP sets out imperatives that will create a conducive environment for businesses to thrive and economic development.