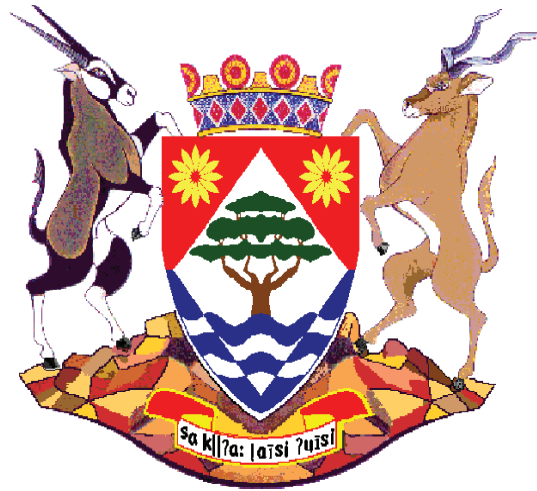


Northern Cape Provincial Government

NORTHERN CAPE SOCIO-ECONOMIC REVIEW AND OUTLOOK 2021

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**NORTHERN CAPE
PROVINCIAL GOVERNMENT**



**Northern Cape
Socio-Economic
Review and Outlook
2021**

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Foreword

The global pandemic (Covid-19) had a negative impact on the economy, employment and lives across the world. The International Monetary Fund (IMF) estimated that the world output contracted by 3.5 per cent in 2020. Advanced Economies are estimated to have contracted by 4.9 per cent, whereas Emerging Market and Developing Economies are estimated to have contracted by 2.4 per cent. Positive growth is projected for 2021 and 2022.

In the 2020 Medium Term Budget Policy Statement (MTBPS), National Treasury estimated that the economy of the country would grow negatively at -7.8 per cent in 2020, however the figure has been revised to -7.2 per cent in the 2021 budget statement. The country's output is projected to grow by 3.3 per cent this year, 2.2 per cent in 2022 and 1.6 per cent in 2023. The roll-out of vaccines is expected to play a very important role in saving lives as well as setting the country on a path of economic recovery.

Although the provincial unemployment rate for the fourth quarter of 2020 was lower than the national rate, it was still an alarming 28.7 per cent. From quarter 3 of 2020, the unemployment rate increased by 5.6 percentage points, with the number of employed people increasing by 21 000 and the unemployed increasing by 38 000.

The negative impact of the health crisis on the economy and the job market had many individuals and companies facing difficult challenges in this period. It is under these constraining conditions that departments are urged to continuously find new ways to reprioritise and use the limited resources effectively and efficiently.

AB Vosloo, MPL

MEC for Finance, Economic Development and Tourism

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List of Abbreviations

EC	Eastern Cape
FS	Free State
GDP	Gross Domestic Product
GHS	General Household Survey
GP	Gauteng
HDI	Human Development Index
IMF	International Monetary Fund
KZN	KwaZulu-Natal
LP	Limpopo
MP	Mpumalanga
NC	Northern Cape
NSC	National Senior Certificate
NW	North West
Q1	Quarter 1
Q2	Quarter 2
Q3	Quarter 3
Q4	Quarter 4
QLFS	Quarterly Labour Force Survey
SA	South Africa
SARB	South African Reserve Bank
Stats SA	Statistics South Africa
WC	Western Cape

Executive Summary

Northern Cape, like most provinces, experienced an increase in its population size between 2019 and 2020. The province however remains the one with the smallest share of the national total population, accounting for only 2 per cent. The Frances Baard district had the largest share (32.6 per cent) of the province's total population in 2019, followed by ZF Mgcawu (21.1 per cent). As the province's population had been increasing from one year to the other, so did the number of households. The Black African population group represented the largest share of South Africa's and Northern Cape's total population. Regarding age groups, children aged 0 to 4 years represented the largest age cohort in the province, while those between 70 and 74 years represented the smallest share. The province's population density was very low but has been rising every year from 2010 to 2019. Looking at life expectancy, females had a longer life expectancy in the province in comparison to males.

World output is projected to grow by 5.5 per cent in 2021, following the estimated contraction of 3.5 per cent in 2020 due to the economic crisis brought about by the global Covid-19 pandemic. According to National Treasury, the national economy is estimated to have contracted by a significant 7.2 per cent in 2020, but is expected to show some recovery in 2021 with the economy projected to grow by 3.3 per cent. Before the start of the pandemic, South Africa was already in a recession. Gauteng made the largest contribution to the national economy in 2018, while the Northern Cape made the smallest. The provincial economy recorded low economic growth of 0.5 per cent in 2018 after growing at a higher rate in 2017 at 2.8 per cent. Provincially, *Mining and quarrying* remained the largest contributor to the provincial GDP. The district that made the largest contribution to the economy of the province, was Frances Baard. The largest industry in Frances Baard and Pixley ka Seme was *Community services* in 2019, while in Namakwa, ZF Mgcawu and John Taolo Gaetsewe, *Mining* was the largest.

The national unemployment rate was a concerning 32.5 per cent in the fourth quarter of 2020, which was higher than the provincial unemployment rate of 28.7 per cent. On a national level, the number of unemployed people increased by 701 000 from the previous quarter while it increased by 38 000 provincially. The industry that employed the largest share of the workers was *Community and social services* both nationally and provincially. In 2019, females recorded a higher unemployment rate than males, while the Coloured population group recorded the highest unemployment rate among the population groups in the province. Frances Baard followed by ZF Mgcawu contributed the largest respective shares to total employment in the province. The district that recorded the highest unemployment rate in the province in 2019 was Frances Baard.

The number and percentage of people living in poverty increased in South Africa between 2010 and 2019. HDI in the province showed an improvement, while income inequality measured by the Gini Coefficient increased slightly. The adult literacy rate was above 90 percent in all provinces in South Africa in 2019, with the Northern Cape improving its literacy rate from 83.6 per cent in 2010 to 91.6 per cent in 2019. The province had 33.5 per cent of people and 55.9 per cent of households accessing social security services in 2019. In the Northern Cape, the percentage of people with access to water, electricity and sanitation respectively decreased from 2017 to 2019.

Chapter 1: Demography

1.1 Introduction

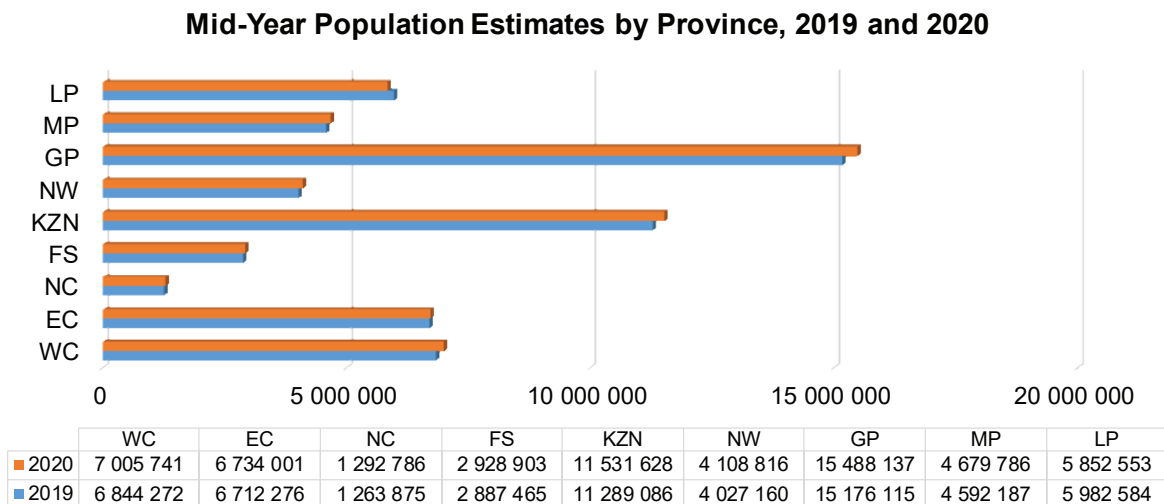
This chapter of the Northern Cape Socio-Economic Review and Outlook of 2021 provides the demographic profile of the Northern Cape Province. In some cases, a comparison is made with the country (South Africa) and other provinces. The analysis for the demographic indicators is imperative in that it provides guidance and assists government and other stakeholders with planning in terms of resource allocation and the delivery of basic services.

1.2 Population Profile

1.2.1 Population

The South African population increased from one year to the other, which is the same for most of the provinces, including the Northern Cape. Some of the factors that can contribute to an increase in the population size are increased fertility, migration and a decline in mortality. The graph below depicts the mid-year population estimates for the nine provinces in the country for 2019 and 2020.

Figure 1.1: Mid-Year Population Estimates by Province, 2019 and 2020



Source: Stats SA, *Mid-Year Population Estimates 2019 & 2020*

Gauteng remains the largest in terms of the population size in South Africa. In 2020, the province's population increased to 15.488 million which represented about 26 per cent of the national population. KwaZulu-Natal had the second largest population, followed by Western Cape and Eastern Cape. Northern Cape remains the province with the smallest population size, estimated at 1.293 million (2 per cent of the country's population). Eight provinces experienced an increase in their population sizes between 2019 and 2020, with Gauteng having the largest (312 022) while Eastern Cape had the smallest (21 725). Limpopo was the only province which had a decrease in its population size.

It is also of great importance to have knowledge of how the province's population is distributed across its districts. In Table 1.1, the number of people in each district as well as its share of the population of the province is presented for 2019.

Table 1.1: Total Population by District in Northern Cape, 2019

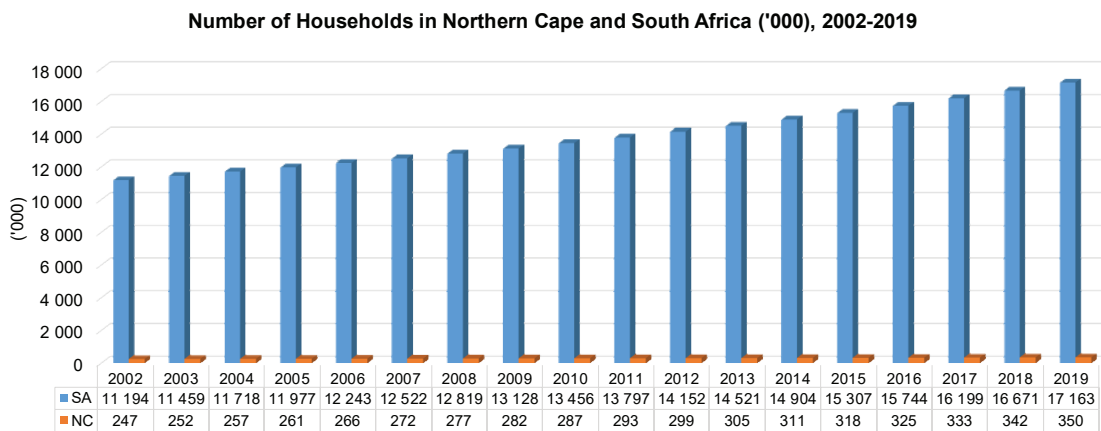
	Number	Share (%)
Namakwa	139 381	10.4
Pixley ka Seme	220 842	16.4
ZF Mgcawu	284 391	21.1
Frances Baard	438 901	32.6
John Taolo Gaetsewe	261 363	19.4

Source: IHS Markit, 2021 [Regional eXplorer, Version 2070 (2.6p)] and own calculations

Frances Baard district had the largest population size of the five districts in the province. In 2019, the district represented 32.6 per cent of the total population provincially. ZF Mgcawu district followed at 21.1 per cent. The district with the smallest population size is Namakwa accounting for only 10.4 per cent.

On the graph below, the number of household are shown for the Northern Cape and South Africa for the period from 2002 to 2019.

Figure 1.2: Number of Households in Northern Cape and South Africa ('000), 2002-2019



Source: Stats SA, GHS 2019

South Africa and Northern Cape's population has been increasing from one year to the other for the period under study, with the number of households also increasing annually. Provincially, the number of households increased from 247 000 in 2002 to 350 000 in 2019, which is an increase of 103 000. On a national level, the number of households increased by 5.969 million from 11.194 million in 2002 to 17.163 million in 2019.

Table 1.2 below presents the population characteristics by race and gender for the Northern Cape and South Africa for 2019.

Table 1.2: Population by Race and Gender for Northern Cape and South Africa, 2019

	Northern Cape			South Africa		
	Male ('000)	Female ('000)	Total ('000)	Male ('000)	Female ('000)	Total ('000)
Black African	328	324	653	23 215	24 239	47 454
Coloured	242	254	496	2 462	2 619	5 080
Indian/Asian	*	*	*	745	706	1 451
White	46	51	97	2 161	2 283	4 444
Total	616	630	1 246	28 582	29 847	58 429

Source: Stats SA, GHS 2019

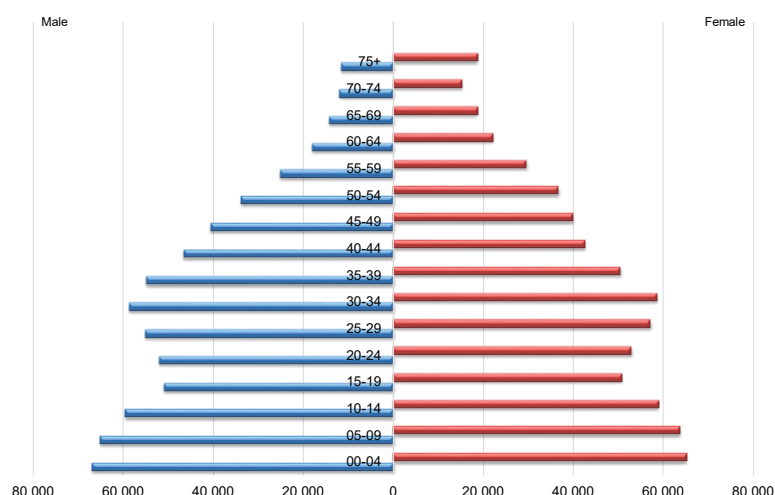
Values based on 3 or less unweighted cases are considered too small to provide accurate estimates, and therefore are replaced by asterisks

The province had more females than males in 2019, which was the same for the country. Regarding the population groups, the Black African group represented the largest share of the country's population, whereas Indians/Asians were the smallest. This was the same for the Northern Cape.

The population characteristics of the province as well as the district municipalities are visually represented by the pyramids below for 2019.

Figure 1.3: Population Pyramid for Northern Cape, 2019

Population Pyramid for Northern Cape, 2019

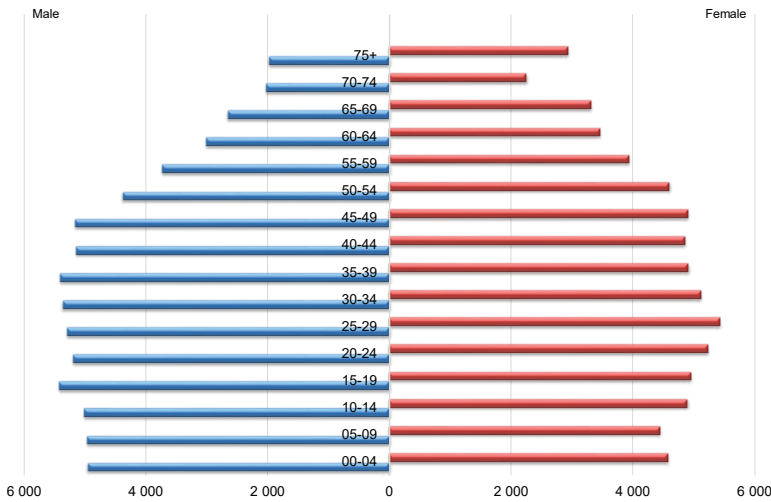


Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

The province's population pyramid is expansive, as it displays a young and growing population. Children between 0 and 4 years represented the largest cohort (132 020) in the province in 2019, while those aged 70 to 74 constituted the smallest (27 035). Those aged 5 to 9 years had the second largest population size (128 668). The large number of young people (children) suggest that the province has a high fertility rate.

Figure 1.4: Population Pyramid for Namakwa District Municipality, 2019

Population Pyramid for Namakwa District Municipality, 2019

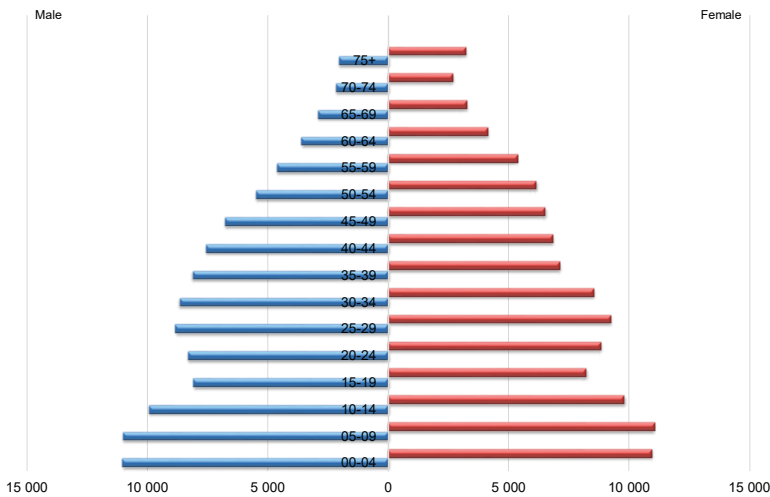


Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

Namakwa has a constrictive population pyramid, indicating an elderly and shrinking population. The district had more females than males, shown by a slight skewness of the pyramid to the right. Youth aged 25 to 29 years represented the district’s largest age group, whereas old people between 70 and 74 years represented the smallest.

Figure 1.5: Population Pyramid for Pixley ka Seme District Municipality, 2019

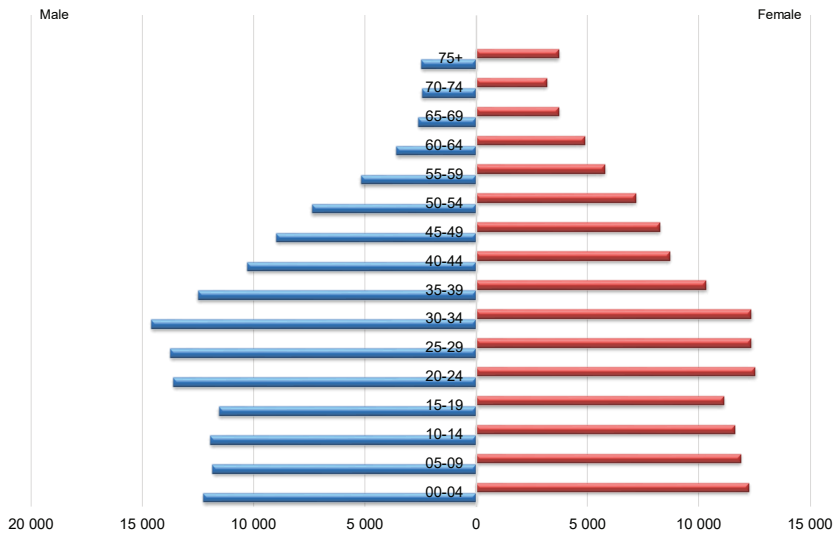
Population Pyramid for Pixley ka Seme District Municipality, 2019



Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

Pixley ka Seme’s pyramid is slightly skewed to the right as females were more than males in this district in 2019, also with a broad base. Children aged 5 to 9 constituted the district’s largest cohort, followed by those between 0 and 4 years, while those aged 70 to 74 years represented the smallest cohort.

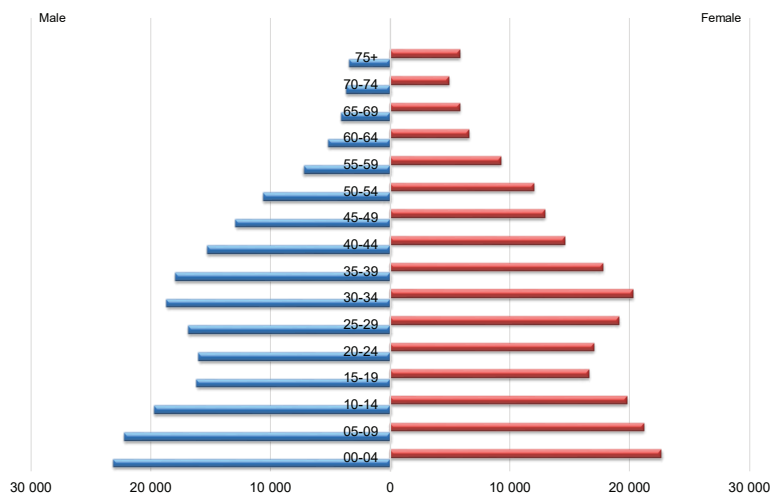
Figure 1.6: Population Pyramid for ZF Mgcawu District Municipality, 2019
 Population Pyramid for ZF Mgcawu District Municipality, 2019



Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

ZF Mgcawu has a stationary, or near stationary, population pyramid indicating little or no population growth. Unlike other districts, ZF Mgcawu had a different pattern whereby males were more than females. This is shown by the skewness of the pyramid to the left. Youth between 30 and 34 years represented the district’s largest age cohort in 2019, while people aged 70 to 74 years represented the smallest.

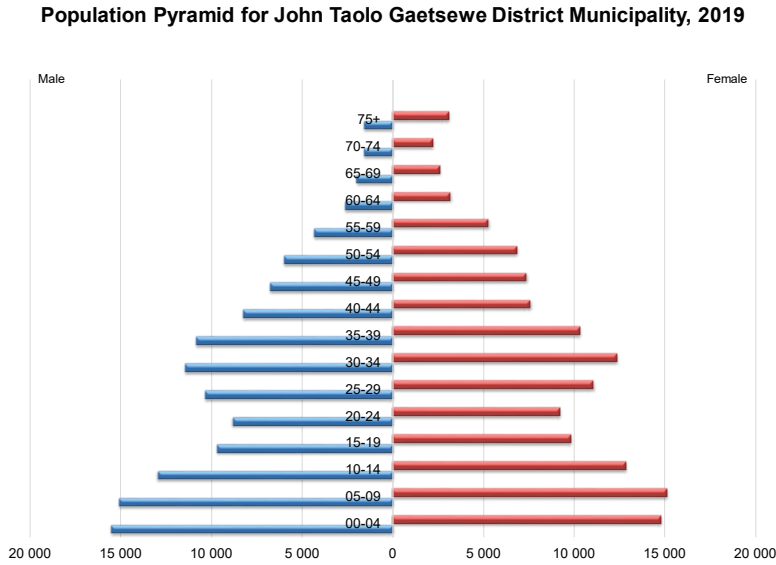
Figure 1.7: Population Pyramid for Frances Baard District Municipality, 2019
 Population Pyramid for Frances Baard District Municipality, 2019



Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

For Frances Baard, children aged 0 to 4 years constituted the age group with the largest number of people, followed by those between 5 and 9 years. Those aged 70 to 74 years was again the smallest group like in other districts. Females were more than their male counterparts.

Figure 1.8: Population Pyramid for John Taolo Gaetsewe District Municipality, 2019



Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

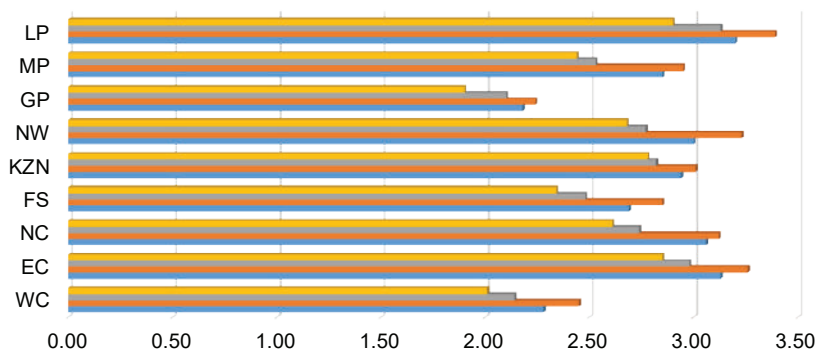
Children aged 0 to 4 years represented the largest age cohort in John Taolo Gaetsewe, followed by those aged 5 to 9 years, while the 70 to 74 years age cohort represented the smallest. The district had more females than males.

1.2.2 Fertility

Figure 1.9 illustrates the average total fertility rate for all the provinces from 2001 to 2021.

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

Average Total Fertility Rate by Province, 2001-2006, 2006-2011, 2011-2016, 2016-2021



	WC	EC	NC	FS	KZN	NW	GP	MP	LP
2016-2021	2.01	2.85	2.61	2.34	2.78	2.68	1.90	2.44	2.90
2011-2016	2.14	2.98	2.74	2.48	2.82	2.77	2.10	2.53	3.13
2006-2011	2.45	3.26	3.12	2.85	3.01	3.23	2.24	2.95	3.39
2001-2006	2.28	3.13	3.06	2.69	2.94	3.00	2.18	2.85	3.20

Source: Stats SA, Mid-Year Population Estimates 2020

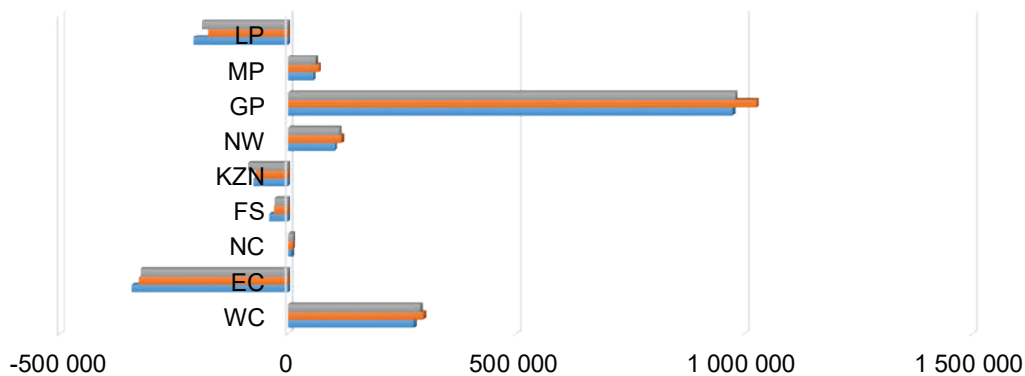
All the provinces experienced an increase in the average total fertility rate between the 2001 to 2006 and 2006 to 2011 periods, followed by a decrease to the 2011 to 2016 period. A further decline is expected to the 2016 to 2021 period. Limpopo province had the highest average total fertility rates while Gauteng had the lowest rates.

1.2.3 Migration

The net migration for the nine provinces is shown in Figure 1.10 below.

Figure 1.10: Net Migration by Province, 2006-2011, 2011-2016 and 2016-2021

Net Migration by Province, 2006-2011, 2011-2016 and 2016-2021



	WC	EC	NC	FS	KZN	NW	GP	MP	LP
2016-2021	290 555	-322 957	11 554	-29 929	-88 163	112 881	980 398	61 034	-189 112
2011-2016	297 601	-326 841	10 628	-31 295	-70 880	117 813	1 026 451	67 736	-174 868
2006-2011	276 434	-342 000	8 163	-41 302	-76 296	102 778	974 765	56 049	-206 374

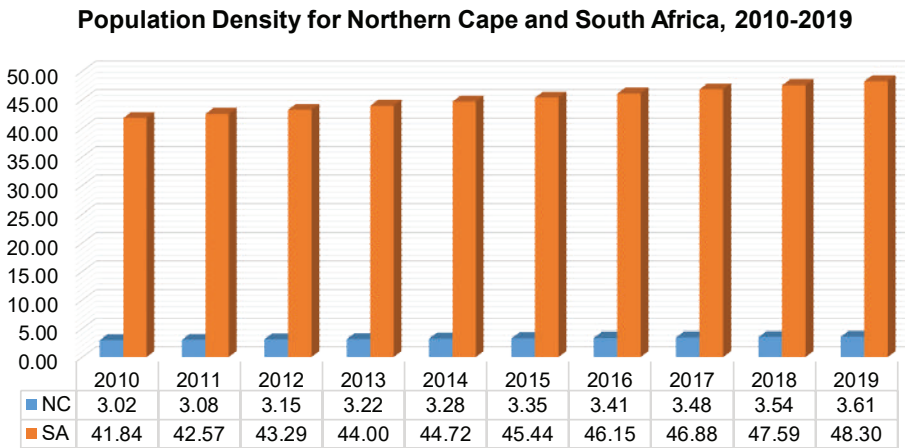
Source: Stats SA, Mid-Year Population Estimates 2020

Only five provinces recorded positive net migration during the periods under review. These are Mpumalanga, Gauteng, North-West, Northern Cape as well as Western Cape. This indicates that the number of in-migrants (that is people who were moving into these provinces) was more than the out-migrants (people moving out of the province). Limpopo, KwaZulu-Natal, Free State and Eastern Cape had negative net migration, implying that they had a larger number of out-migrants in comparison to in-migrants. Gauteng had the largest number of people migrating into the province.

1.2.4 Population Density

The following graph portrays the population density for the Northern Cape and South Africa from 2010 to 2019.

Figure 1.11: Population Density for Northern Cape and South Africa, 2010-2019



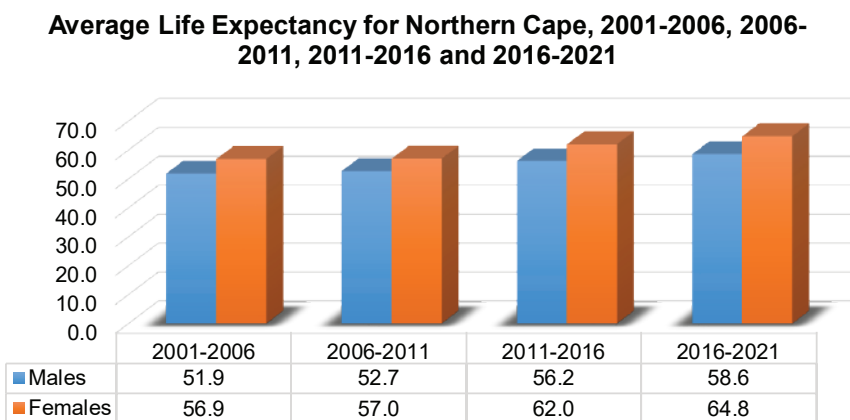
Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

The Northern Cape's population density has been steadily increasing, albeit slightly, from one year to the next over the period under review. This is due to the increase in the population size over this period. The province's population density is low as it has the smallest population size and the largest land size in the country. The continuously increasing population density can also be observed for South Africa over the entire review period.

1.3 Life Expectancy

In Figure 1.12 the average life expectancy at birth by gender is depicted for the Northern Cape Province.

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



Source: Stats SA, Mid-Year Population Estimates 2020

The Northern Cape's average life expectancy has been increasing for both males and females from the 2001 to 2006 to 2016 to 2021 periods. Males have a shorter life expectancy in comparison to females for the period under review.

1.4 Conclusion

Northern Cape, like most provinces, experienced an increase in its population size between 2019 and 2020. The province however remains the one with the smallest share of the national total population, accounting for only 2 per cent. The Frances Baard district had the largest share (32.6 per cent) of the province's total population in 2019, followed by ZF Mgcawu (21.1 per cent). As the province's population had been increasing from one year to the other, so did the number of households. The Black African population group represented the largest share of South Africa's and Northern Cape's total population. Regarding age groups, children aged 0 to 4 years represented the largest age cohort in the province, while those between 70 and 74 years represented the smallest share. The province's population density was very low but has been rising every year from 2010 to 2019. Looking at life expectancy, females had a longer life expectancy in the province in comparison to males.

Chapter 2: Economy

2.1 Introduction

With the outbreak of the global Coronavirus disease 2019 (Covid-19) pandemic, the entire global economy has been struggling. Many countries have been implementing lockdowns in an attempt to minimise the impact of the pandemic on their populations and healthcare systems. This has been accompanied by very bad economic performance across many countries. The South African economy was not spared, and 2020 recorded very low levels of economic performance. Even before the pandemic hit, the South African economy was already struggling. This chapter provides an analysis of global, national and provincial economic conditions which could assist policy and decision makers to address the challenges that the economy is facing.

2.2 Global Economic Outlook

A summary of the world economic outlook forecasts for selected nations from 2019 to 2022 is given in Table 2.1.

Table 2.1: Overview of World Economic Outlook Projections, 2019-2022

Region/Country	Estimates		Projections	
	2019	2020	2021	2022
World Output	2.8	-3.5	5.5	4.2
Advanced Economies	1.6	-4.9	4.3	3.1
United States	2.2	-3.4	5.1	2.5
Euro Area	1.3	-7.2	4.2	3.6
Japan	0.3	-5.1	3.1	2.4
United Kingdom	1.4	-10.0	4.5	5.0
Emerging Market and Developing Economies	3.6	-2.4	6.3	5.0
Emerging and Developing Asia	5.4	-1.1	8.3	5.9
China	6.0	2.3	8.1	5.6
India	4.2	-8.0	11.5	6.8
Emerging and Developing Europe	2.2	-2.8	4.0	3.9
Russia	1.3	-3.6	3.0	3.9
Latin America and the Caribbean	0.2	-7.4	4.1	2.9
Brazil	1.4	-4.5	3.6	2.6
Sub-Saharan Africa	3.2	-2.6	3.2	3.9
Nigeria	2.2	-3.2	1.5	2.5
South Africa	0.2	-7.5	2.8	1.4

Per cent change

Source: IMF World Economic Outlook Update, January 2021

The International Monetary Fund (IMF) estimates that in 2020 world output contracted by 3.5 per cent and they project that world output will grow by 5.5 per cent in 2021 and 4.2 per cent in 2022.

Advanced economies are estimated to have contracted by 4.9 per cent in 2020 with projected growth of 4.3 per cent in 2021 and 3.1 per cent in 2022. Emerging markets and developing economies saw a 2.4 per cent contraction in output in 2020 with a projection of 6.3 per cent growth in 2021 and 5.0 per cent growth in 2022. The IMF estimates that Sub-Saharan Africa's output contracted by 2.6 per cent in 2020 and is projected to grow by 3.2 per cent in 2021 and 3.9 per cent in 2022. According to the IMF, South Africa saw a contraction of 7.5 per cent in output in 2020 and is projected to grow by 2.8 per cent in 2021 and 1.4 per cent in 2022. Of the countries reviewed in the table above, China is the only one that is estimated to record positive growth in 2020.

According to the IMF, access to medical interventions, effectiveness of policy support, exposure to cross-country spill-overs as well as structural characteristics entering the crisis is expected to play a role in the strength of recovery of countries. They also indicate that renewed waves and new variants of the virus pose concerns for the outlook even though recent vaccine approvals improved hopes of a turnaround in the pandemic later in the year.

2.3 National Economy

Table 2.2 shows the real gross domestic expenditure from the first quarter of 2019 to the third quarter of 2020.

Table 2.2: Real Gross Domestic Expenditure, 2019 and 2020

Components	2019				2020		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Final household consumption expenditure	-0.9	2.5	0.3	1.4	0.2	-52.4	69.5
Final general government consumption expenditure	2.2	2.7	1.4	-0.2	1.8	-2.1	0.7
Gross fixed capital formation	-4.1	5.8	4.1	-10.0	-18.6	-59.8	26.5
Gross domestic expenditure	4.7	9.1	-4.5	-4.6	-6.0	-42.9	23.7

Quarter-to-quarter percentage change at seasonally adjusted annualised rates

Source: SARB Quarterly Bulletin, December 2020

Final household consumption expenditure contracted in the first quarter of 2019 by 0.9 per cent and experienced positive growth for the last three quarters of 2019, recording 1.4 per cent growth in the fourth quarter. In 2020, it grew by 0.2 per cent in the first quarter, but contracted by a significant 52.4 per cent in the second quarter. During this quarter, very strict lockdown regulations relating to Covid-19 were enforced. Accompanying the easing of some restrictions placed on the economy, *Final household consumption expenditure* grew significantly by 69.5 per cent in the third quarter of 2020. *Final general government consumption expenditure* recorded positive growth for the first three quarters of 2019 before contracting by 0.2 per cent in the fourth quarter. The year 2020 saw growth of 1.8 per cent in the first quarter and then a contraction in the second quarter of -2.1 per cent before growing by 0.7 per cent in the third quarter of 2020.

Gross fixed capital formation started 2019 with a contraction of -4.1 per cent in the first quarter, growing positively in the second and third quarters before contracting by 10.0 per cent in the fourth

quarter. In 2020, *Gross fixed capital formation* contracted by 18.6 per cent in the first quarter followed by an even more significant contraction of -59.8 per cent in the second quarter. In the third quarter of 2020 it grew by 26.5 per cent. *Gross domestic expenditure* recorded positive growth in the first and second quarters of 2019 before contracting in the third and fourth quarters. In 2020, it recorded negative growth of -6.0 per cent in the first quarter and -42.9 per cent in the second quarter before experiencing positive growth of 23.7 per cent in the third quarter.

2.3.1 National Industry Growth Trends

Table 2.3 shows the industry growth figures per quarter from the fourth quarter of 2018 up to and including the third quarter of 2020 on a national level.

Table 2.3: Quarterly Growth in National GDP per Industry, 2018 Q4-2020 Q3

Industry	2018	2019				2020		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Agriculture, forestry and fishing	7.9	-16.8	-4.9	-4.5	-7.6	35.9	19.6	18.5
Mining and quarrying	-3.8	-10.8	17.4	-6.1	1.8	-21.5	-72.0	288.3
Manufacturing	4.5	-8.8	2.1	-4.4	-1.8	-8.5	-74.9	210.2
Electricity, gas and water	0.2	-7.4	3.2	-4.9	-4.0	-5.6	-36.4	58.0
Construction	-0.7	-5.3	-2.4	-6.9	-5.9	-4.7	-76.5	71.1
Trade, catering and accommodation	-0.7	-3.6	3.4	2.6	-3.8	-0.7	-67.6	137.0
Transport, storage and communication	7.7	-4.4	-0.3	-5.4	-7.2	0.5	-69.4	79.3
Finance, real estate and business services	2.7	1.1	4.1	1.6	2.7	3.7	-34.2	16.5
General government services	-0.6	2.5	3.3	2.4	-0.4	1.2	-1.0	0.9
Personal services	1.7	1.1	0.8	0.4	0.7	0.5	-32.7	38.6
Total value added at basic prices	1.7	-3.2	3.5	-0.9	-1.3	-1.6	-50.5	64.4
Taxes less subsidies	-1.7	-3.0	1.9	0.1	-3.0	-2.9	-63.2	86.1
GDP at market prices	1.4	-3.2	3.3	-0.8	-1.4	-1.7	-51.7	66.1

Constant 2010 prices, percentage change quarter-on-quarter (seasonally adjusted and annualised)

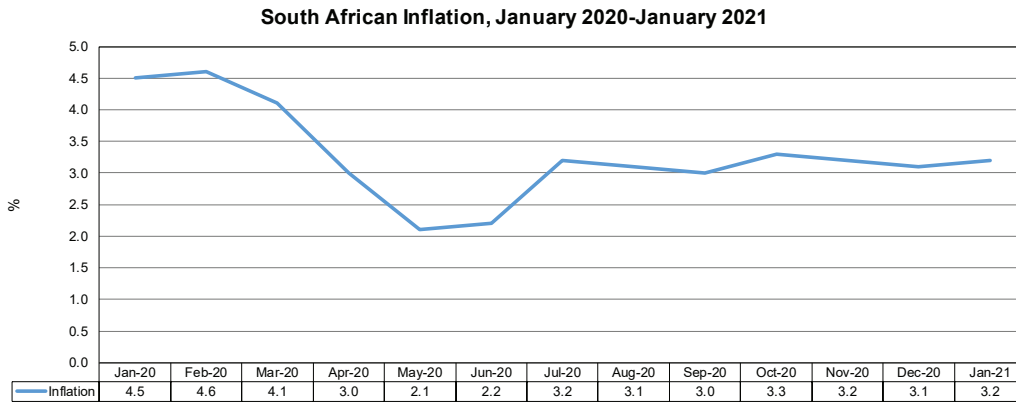
Source: Stats SA GDP, 3rd Quarter 2020

In the fourth quarter of 2019, only the *Mining and quarrying*, *Finance, real estate and business services* and *Personal services* industries recorded positive growth while the rest recorded a contraction. The *Agriculture, forestry and fishing* and *Transport, storage and communication* industries recorded the largest contractions at -7.6 per cent and -7.2 per cent respectively, while GDP contracted by 1.4 per cent. In the first quarter of 2020, *Agriculture, forestry and fishing* registered significant growth of 35.9 per cent while *Mining and quarrying* saw a massive decrease of -21.5 per cent. *Manufacturing* recorded the second largest contraction for this quarter (-8.5 per cent) and the national GDP contracted by 1.7 per cent. As a result of the national lockdown to limit the spread of the novel coronavirus which began at the end of the first quarter of 2020, all industries contracted by significant percentages except for *Agriculture, forestry and fishing* (which was the only industry to record positive growth), and *General government services* that contracted by only 1.0 per cent. National GDP contracted by 51.7 per cent in the second quarter of 2020. All of the industries went on to record positive growth figures in the third quarter of 2020 driven mainly by the easing of lockdown restrictions. National GDP was recorded growing at a significant 66.1 per cent in the third quarter of 2020.

2.3.2 Inflation

Figure 2.1 shows the South African inflation rate from January 2020 to January 2021.

Figure 2.1: South African Inflation, January 2020-January 2021



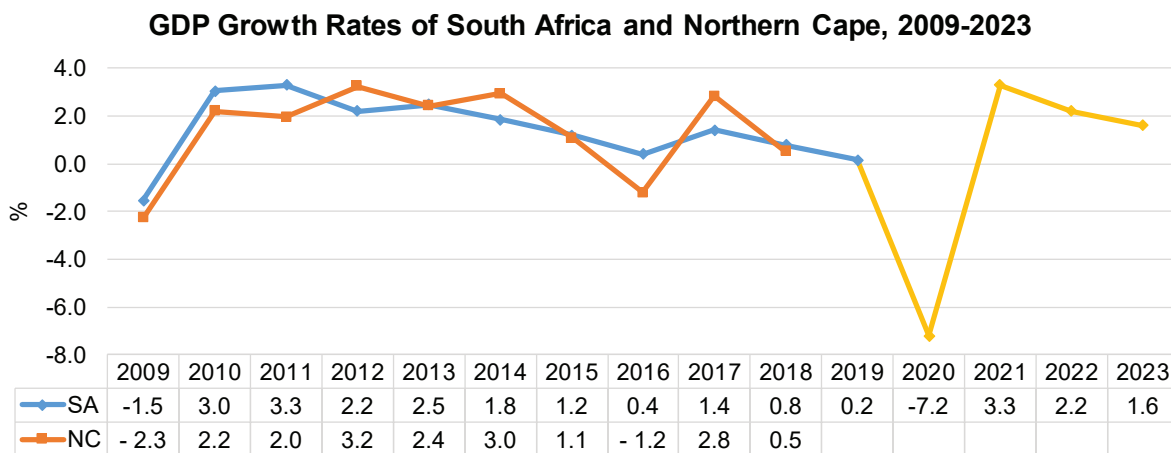
Source: Stats SA, Consumer Price Index, January 2021

The annual rate of inflation was recorded at 4.5 per cent in January of 2020, increasing to 4.6 per cent in February after which it started to decline until it reached a minimum of 2.1 per cent in May 2020. The inflation rate ended 2020 at 3.1 per cent in December. The rate of inflation increase slightly to 3.2 per cent in January 2021. According to Statistics South Africa, food and non-alcoholic beverages; housing and utilities; and miscellaneous goods and services were the main drivers of the increase in the inflation rate from December 2020 to January 2021.

2.4 Provincial Economy

Figure 2.2 illustrates the GDP growth rates of South Africa and the Northern Cape. Growth figures for the Northern Cape are provided for 2009 to 2018 and for South Africa for 2009 to 2023.

Figure 2.2: GDP Growth Rates of South Africa and Northern Cape, 2009-2023



2020 estimate, 2021-2023 forecasts

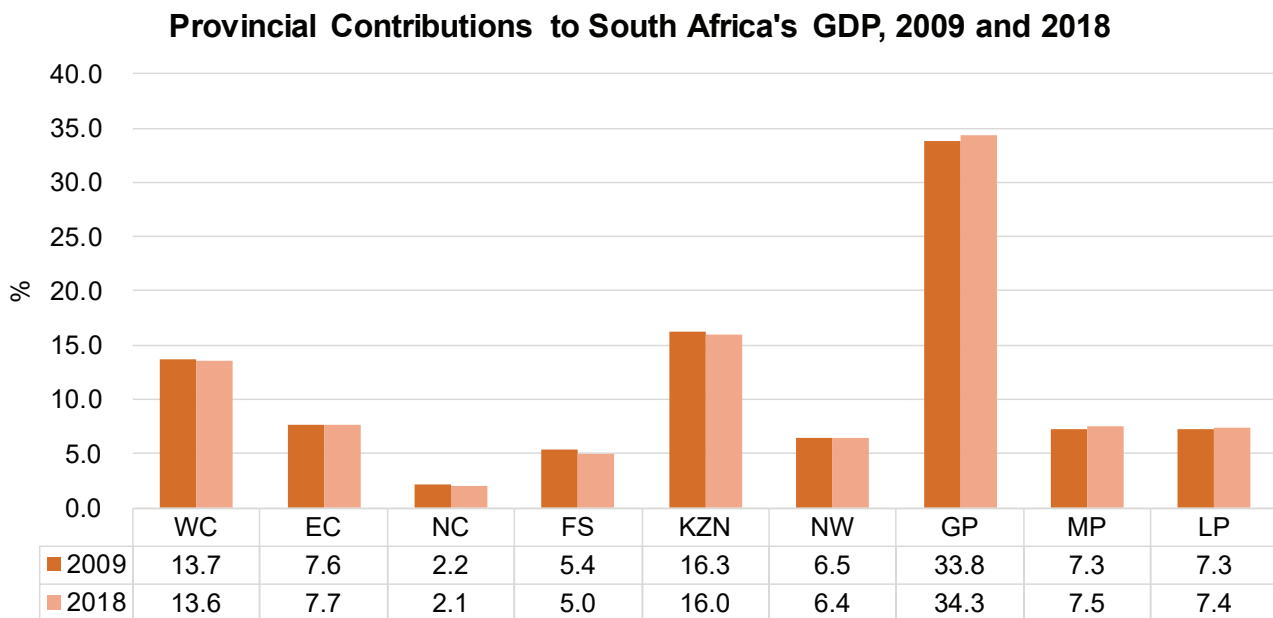
Constant 2010 prices

Source: Stats SA GDP, 4th Quarter 2019 (SA 2009-2019, NC 2009-2018), National Treasury Budget Review 2021 (SA 2020-2023)

In 2009, the economy of the Northern Cape and the country recorded a contraction of 2.3 per cent and 1.5 per cent respectively. After the contraction of 2009, the economy of the Northern Cape went on to grow positively for six consecutive years after which the economy contracted by 1.2 per cent in 2016. The economy of the province recovered in 2017 after output grew by 2.8 per cent and grew by a further 0.5 per cent in 2018. After contracting in 2009, the national economy went on to record positive growth each year until 2019. In 2020, the estimated contraction that the country is expected to have recorded was -7.2 per cent. National Treasury's forecasts indicate that the economy of the country is expected to show some recovery, with projected growth of 3.3 per cent in 2021, 2.2 per cent in 2022 and 1.6 per cent in 2023.

For 2009 and 2018, the provincial contributions made to the national GDP are provided below.

Figure 2.3: Provincial Contributions to South Africa's GDP, 2009 and 2018



Current prices

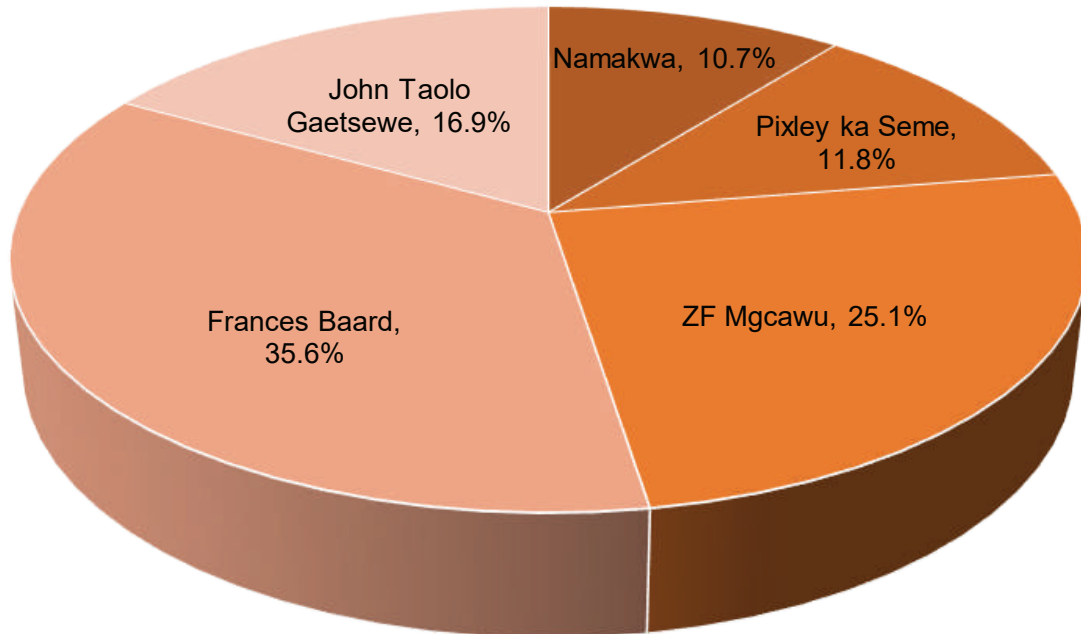
Source: Stats SA GDP, 4th Quarter 2019

The contribution that the Northern Cape made to national GDP decreased by 0.1 of a percentage point from 2.2 per cent in 2009 to 2.1 per cent in 2018, making it the smallest contributor to national GDP for both years. The contributions made by the Western Cape and KwaZulu-Natal declined by 0.1 and 0.3 of a percentage point respectively, while Gauteng's contribution increased by 0.5 of a percentage point. Mpumalanga's contribution increased by 0.2 of a percentage point, while the Free State's contribution declined by 0.4 of a percentage point. The contributions made by Limpopo and Eastern Cape each increased by 0.1 of a percentage point from 2009 to 2018. Gauteng remained by far the largest contributor to the national economy, accounting for just over a third of national output.

Figure 2.4 illustrates the contributions that the districts made to the province's economy in 2019.

Figure 2.4: Contributions by District Municipalities to Provincial GDP, 2019

Contributions by District Municipalities to Provincial GDP, 2019



Current prices

Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)] and own calculations

The Frances Baard district was the largest contributor to the GDP of the province, accounting for more than a third (35.6 per cent) of the total GDP of the Northern Cape. The district with the province's second largest economy was ZF Mgcawu, which contributed 25.1 per cent to the economy of the province, followed by John Taolo Gaetsewe (16.9 per cent). Pixley ka Seme contributed 11.8 per cent and Namakwa 10.7 per cent to the province's economy in 2019.

2.4.1 Sector Contributions

Table 2.4 includes the Northern Cape economic sectors' growth and contributions to GDP for 2017 and 2018.

Table 2.4: Provincial Sectoral Growth and Contributions to GDP, 2017 and 2018

Sector	Growth Rate (%)		Contributions to GDP (%)	
	2017	2018	2017	2018
Primary sector	8.1	-0.3	27.3	26.9
Agriculture, forestry and fishing	12.4	-5.9	7.1	6.4
Mining and quarrying	7.1	1.1	20.2	20.5
Secondary sector	-0.4	-0.3	9.2	9.8
Manufacturing	-0.7	0.4	3.1	3.2
Electricity, gas and water	0.2	0.3	3.5	3.9
Construction	-0.9	-1.8	2.7	2.7
Tertiary sector	0.5	0.9	53.7	53.4
Trade, catering and accommodation	-0.8	0.2	10.7	9.5
Transport, storage and communication	0.6	0.7	10.8	10.3
Finance, real estate and business services	1.5	1.2	11.9	12.4
Personal services	1.8	0.8	4.8	5.0
General government services	0.0	1.3	15.5	16.1
All industries at basic prices	3.0	0.3	90.2	90.0
Taxes less subsidies on products	0.9	2.1	9.8	10.0
GDPR at market prices	2.8	0.5	100.0	100.0

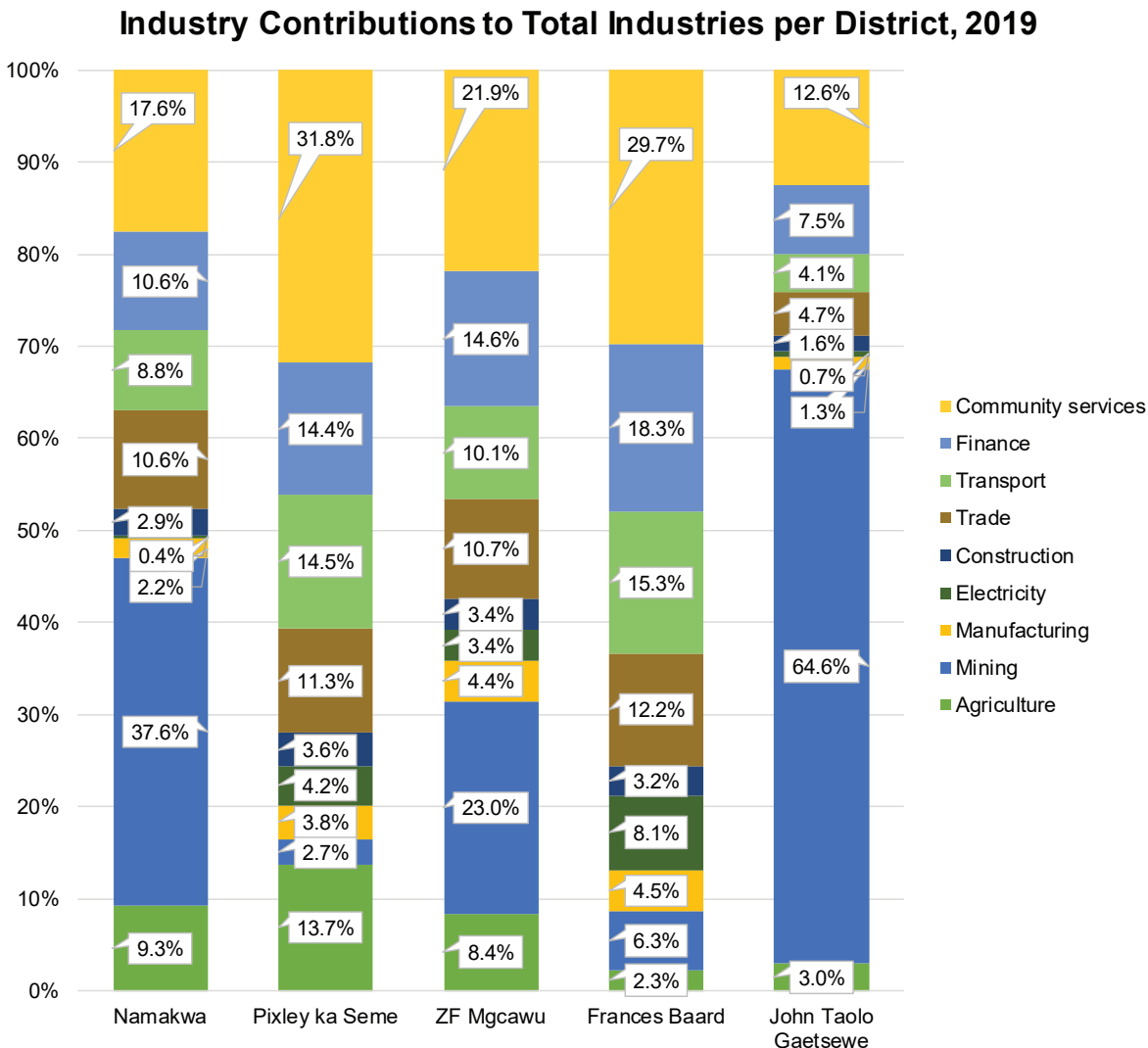
Growth rate at constant 2010 prices, Contributions to GDP at current prices

Source: Stats SA GDP 4th Quarter 2019

The *Tertiary sector* was the largest sector in the Northern Cape, having made a contribution towards the provincial GDP of 53.7 per cent in 2017 and a slightly smaller contribution in 2018 at 53.4 per cent. The *Tertiary sector* grew by 0.5 per cent in 2017, compared to 8.1 per cent growth for the *Primary sector* and a 0.4 per cent contraction in the *Secondary sector* for the same year. In 2018, the *Tertiary sector* grew by 0.9 per cent, compared to a 0.3 per cent contraction for each of the *Primary* and *Secondary sectors*. In 2017, the *Agriculture, forestry and fishing* industry recorded the highest growth rate at 12.4 per cent but contracted in 2018 at -5.9 per cent. The industry with the highest growth rate in 2018 was *General government services*, growing at a low 1.3 per cent. *Mining and quarrying* remained the largest industry in 2018, contributing 20.5 per cent to the provincial economy, with *Construction* remaining the smallest industry, contributing only 2.7 per cent.

The following graph shows the economic industries' contributions to the total industries for each district in the Northern Cape for 2019.

Figure 2.5: Industry Contributions to Total Industries per District, 2019



Current prices

Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

In the Frances Baard district, *Community services* accounted for 29.7 per cent of the district's total industries in 2019, making it the largest industry in the district. *Community services*, representing 31.8 per cent of total industries, was also the largest industry in Pixley ka Seme. *Mining* was the largest contributing industry in the Namakwa, ZF Mgcawu and John Taolo Gaetsewe districts and accounted for 37.6, 23.0 and 64.6 per cent of the districts' total industries respectively. *Manufacturing* was one of the small contributors to all districts' economies.

2.5 Conclusion

World output is projected to grow by 5.5 per cent in 2021, following the estimated contraction of 3.5 per cent in 2020 due to the economic crisis brought about by the global Covid-19 pandemic. According to National Treasury, the national economy is estimated to have contracted by a significant 7.2 per cent in 2020, but is expected to show some recovery in 2021 with the economy projected to grow by 3.3 per cent. Before the start of the pandemic, South Africa was already in a recession. Gauteng made the largest contribution to the national economy in 2018, while the Northern Cape made the smallest. The provincial economy recorded low economic growth of 0.5 per cent in 2018 after growing at a higher rate in 2017 at 2.8 per cent. Provincially, *Mining and quarrying* remained the largest contributor to the provincial GDP. The district that made the largest contribution to the economy of the province, was Frances Baard. The largest industry in Frances Baard and Pixley ka Seme was *Community services* in 2019, while in Namakwa, ZF Mgcawu and John Taolo Gaetsewe, *Mining* was the largest.

Chapter 3: Labour

3.1 Introduction

In this chapter, an analysis is provided of the national and provincial labour characteristics. Information is provided on which industries people find employment in and employment figures are compared across the districts within the Northern Cape. The crisis brought about by Covid-19 also led to challenges in the labour market as many jobs were lost in 2020. The analysis contained in this chapter is important as it provides insight into which industries are shedding jobs and which are increasing its employment. It also shows the need for intervention to fight the high rates of unemployment faced by the country and the province.

3.2 National Labour Characteristics

3.2.1 Labour Status

The following table provides insight into the labour market status of South Africa. The data reflected are for quarter 4 of 2019 and quarters 3 and 4 of 2020. The official definition of unemployment is used.

Table 3.1: Labour Market Status for South Africa, 2019 Q4, 2020 Q3 and 2020 Q4

Labour Market	2019 Q4 (‘000)	2020 Q3 (‘000)	2020 Q4 (‘000)	Qtr-to-qtr change (‘000)	Yr-on-yr change (‘000)
Population aged 15-64	38 727	39 167	39 311	143	583
Labour force	23 146	21 224	22 257	1 033	-889
Employed	16 420	14 691	15 024	333	-1 397
Unemployed	6 726	6 533	7 233	701	507
Not economically active	15 581	17 944	17 054	-890	1 473
Discouraged work-seekers	2 855	2 696	2 930	234	75
Other	12 726	15 248	14 124	-1 124	1 398
Rates	(%)	(%)	(%)	(Percentage point)	(Percentage point)
Unemployment rate	29.1	30.8	32.5	1.7	3.4
Absorption rate	42.4	37.5	38.2	0.7	-4.2
Labour force participation rate	59.8	54.2	56.6	2.4	-3.2

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

Source: Stats SA QLFS 4th Quarter 2020

Nationally, the number of employed people increased by 333 000 on a quarterly basis (from quarter 3 of 2020 to quarter 4 of 2020), while it decreased by an alarming 1.397 million on an annual basis (from quarter 4 of 2019 to quarter 4 of 2020). The number of unemployed people increased by 701 000 on a quarterly basis and by 507 000 on an annual basis. Discouraged work-seekers also increased on both a quarterly and an annual basis. The national absorption rate, which is the

proportion of the working-age population aged 15 to 64 years that are employed, increased by 0.7 of a percentage point from 37.5 per cent in quarter 3 of 2020 to 38.2 per cent in quarter 4 of 2020, while it decreased by 4.2 percentage points on an annual basis. The unemployment rate increased by 1.7 percentage points from the third quarter to the fourth quarter of 2020 and increased by 3.4 percentage points year-on-year. The nation's unemployment rate stood at 32.5 per cent in the fourth quarter of 2020.

Table 3.2 shows discouraged work-seekers, the absorption rate and the labour force participation rate for the 9 provinces for the fourth quarter of 2020.

Table 3.2: Discouraged Work-Seekers, Absorption Rate and Labour Force Participation Rate per Province, 2020 Q4

Province	Discouraged work-seekers ('000)	Absorption rate (%)	Labour force participation rate (%)
Western Cape	87	49.0	63.3
Eastern Cape	172	28.3	54.3
Northern Cape	74	37.7	52.9
Free State	80	38.9	58.4
KwaZulu-Natal	786	33.8	48.0
North West	241	35.5	53.2
Gauteng	622	43.0	65.2
Mpumalanga	296	38.1	56.8
Limpopo	573	33.1	45.6
South Africa	2 930	38.2	56.6

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

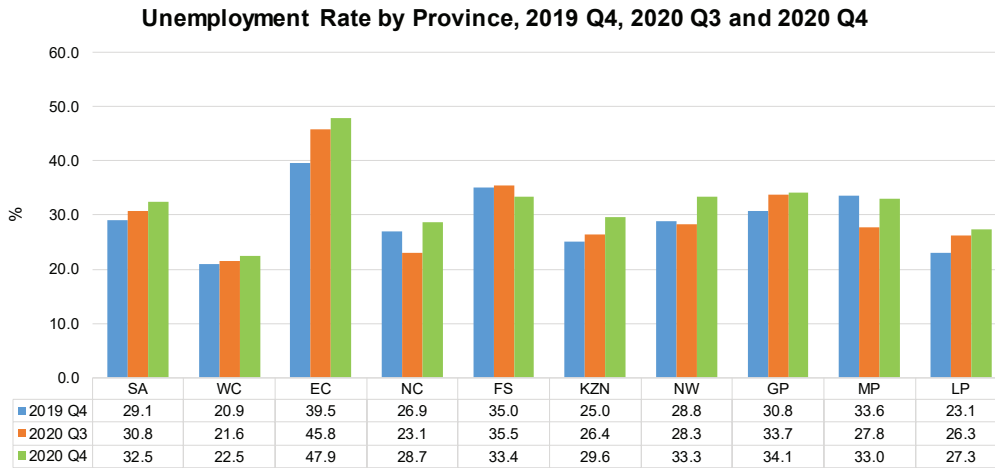
Source: Stats SA QLFS 4th Quarter 2020

Looking at the absorption rates of the fourth quarter of 2020, Western Cape (49.0 per cent), Gauteng (43.0 per cent) and Free State (38.9 per cent) had the highest, while Eastern Cape (28.3 per cent) had the lowest absorption rate. The Northern Cape had the fifth highest absorption rate. When considering the number of discouraged work-seekers in the fourth quarter of 2020, KwaZulu-Natal had the largest number (786 000), followed by Gauteng (622 000) and Limpopo (573 000) while the Northern Cape had the smallest number. Gauteng had the highest labour force participation rate (65.2 per cent), followed by Western Cape (63.3 per cent) and Free State (58.4 per cent) while Limpopo had the lowest (45.6 per cent). The Northern Cape's labour force participation rate was the third lowest in the country.

3.2.2 Unemployment

The unemployment rate by province for quarter 4 of 2019 and quarters 3 and 4 of 2020 is provided in Figure 3.1.

Figure 3.1: Unemployment Rate by Province, 2019 Q4, 2020 Q3 and 2020 Q4



Source: Stats SA QLFS 4th Quarter 2020

Eastern Cape had the highest unemployment rate in the fourth quarter of 2020 at 47.9 per cent followed by Gauteng (34.1 per cent), Free State (33.4 per cent) and North West (33.3 per cent). The lowest unemployment rate was recorded in Western Cape at 22.5 per cent, with the Northern Cape recording the third lowest rate. All the provinces experienced an increase in their unemployment rates on a quarterly basis except for Free State which managed to decrease its unemployment rate by 2.1 percentage points. On an annual basis, only Free State and Mpumalanga managed to decrease their respective unemployment rates.

3.2.3 Employment

The number of people employed by industry in South Africa in quarter 4 of 2019 and quarters 3 and 4 of 2020 is shown in Table 3.3.

Table 3.3: Employment by Industry for South Africa, 2019 Q4, 2020 Q3 and 2020 Q4

Industry	2019 Q4 (‘000)	2020 Q3 (‘000)	2020 Q4 (‘000)	Qtr-to-qtr change (‘000)	Yr-on-yr change (‘000)
Agriculture	885	808	810	2	-75
Mining	430	419	384	-35	-46
Manufacturing	1 720	1 460	1 491	31	-230
Utilities	120	90	99	9	-21
Construction	1 350	1 080	1 166	86	-184
Trade	3 249	3 008	3 063	55	-186
Transport	1 011	878	943	65	-68
Finance	2 568	2 434	2 312	-123	-256
Community and social services	3 792	3 381	3 551	170	-241
Private households	1 286	1 121	1 197	76	-89

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

Source: Stats SA QLFS 4th Quarter 2020

On a quarterly basis (from the third to the fourth quarter of 2020), all industries recorded an increase in employment except *Mining* and *Finance* which recorded decreases of 35 000 and 123 000 respectively. *Community and social services* saw the largest increase in employment of 170 000, while *Agriculture* saw the smallest increase of 2 000. On an annual basis, all industries experienced a decrease in employment with *Finance*, *Community and social services* and *Manufacturing* experiencing the largest decreases at 256 000, 241 000 and 230 000 respectively. *Community and social services* employed the largest share of people for quarter 4 of 2020, employing 3.551 million people followed by Trade (3.063 million) and Finance (2.312 million).

3.3 Provincial Labour Characteristics

3.3.1 Labour Status

The labour market status of the Northern Cape for quarter 4 of 2019 and quarters 3 and 4 of 2020 is shown in the following table.

Table 3.4: Labour Market Status for Northern Cape, 2019 Q4, 2020 Q3 and 2020 Q4

Labour market	2019 Q4 (‘000)	2020 Q3 (‘000)	2020 Q4 (‘000)	Qtr-to-qtr change (‘000)	Yr-on-yr change (‘000)
Population aged 15-64	806	812	816	4	10
Labour force	458	373	431	59	-27
Employed	335	287	308	21	-27
Unemployed	123	86	124	38	1
Not economically active	348	439	384	-54	37
Discouraged work-seekers	67	91	74	-17	7
Other	281	348	311	-37	29
Rates	(%)	(%)	(%)	(Percentage point)	(Percentage point)
Unemployment rate	26.9	23.1	28.7	5.6	1.8
Absorption rate	41.6	35.3	37.7	2.4	-3.9
Labour force participation rate	56.8	45.9	52.9	7.0	-3.9

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

Source: Stats SA QLFS 4th Quarter 2020

The number of people employed in the Northern Cape increased by 21 000 on a quarterly basis while it decreased by 27 000 on an annual basis. The number of unemployed people increased on both a quarterly as well as an annual basis. Discouraged work-seekers decreased by 17 000 from the previous quarter, but increased by 7 000 from the fourth quarter of 2019.

On a quarterly basis, the unemployment rate for the Northern Cape increased by 5.6 percentage points from 23.1 per cent in quarter 3 of 2020 to 28.7 per cent in quarter 4 of 2020. The absorption rate increased by 2.4 percentage points on a quarterly basis while the labour force participation rate increased by 7.0 percentage points. On an annual basis, the Northern Cape’s unemployment rate

increased by 1.8 percentage points while the absorption rate and the labour force participation rate each decreased by 3.9 percentage points.

Table 3.5 shows the number of employed people (formal plus informal), unemployed people and the unemployment rate for each district in the Northern Cape for 2019.

Table 3.5: Number Employed, Unemployed and Unemployment Rate per District, 2019

District	2019		
	Employed	Unemployed	Unemployment rate (%)
Namakwa	42 284	12 055	22.3
Pixley ka Seme	50 090	24 538	33.0
ZF Mgcawu	95 031	23 278	20.0
Frances Baard	106 593	53 244	33.8
John Taolo Gaetsewe	56 018	20 665	25.8

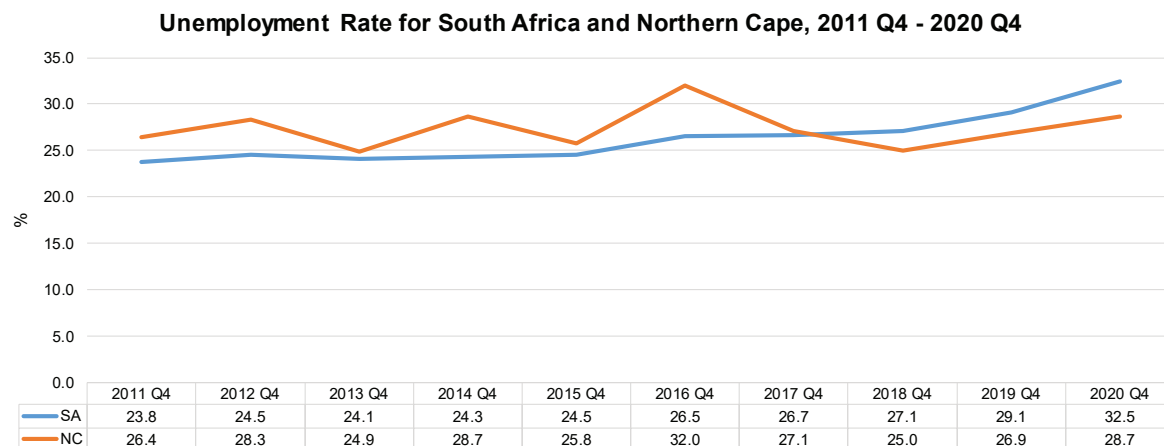
Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

The largest proportion of employed people in the province were working in the Frances Baard district in 2019, at 106 593 people or 30.5 per cent. It is followed by ZF Mgcawu (95 031) and John Taolo Gaetsewe (56 018). Frances Baard also had the largest number of unemployed people in the province at 53 244 and the highest unemployment rate at 33.8 per cent. Pixley ka Seme had the second highest unemployment rate at 33.0 per cent, while ZF Mgcawu had the lowest unemployment rate at 20.0 per cent.

3.3.2 Unemployment

In Figure 3.2, the unemployment rate for the fourth quarters of 2011 to 2020 is illustrated for South Africa and the Northern Cape.

Figure 3.2: Unemployment Rate for South Africa and Northern Cape, 2011 Q4-2020 Q4



Source: Stats SA QLFS 4th Quarter 2020 (QLFS trends)

The unemployment rate for Northern Cape has been higher than the national unemployment rate from quarter 4 of 2011 until quarter 4 of 2017 after which the national unemployment rate exceeded the province's unemployment rate. In quarter 4 of 2020 the unemployment rate of the Northern Cape was 3.8 percentage points lower than the national unemployment rate.

The unemployment rate by race and gender for the Northern Cape for 2010 and 2019 is shown in Table 3.6 below.

Table 3.6: Unemployment Rate by Race and Gender for Northern Cape, 2010 and 2019

Race	2010			2019		
	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)
African	28.6	37.9	32.5	25.3	31.5	27.9
White	3.9	7.7	5.4	5.1	8.4	6.4
Coloured	26.4	32.6	29.0	30.8	34.2	32.2
Asian	12.3	23.4	14.7	17.0	33.3	20.4
Total	24.5	32.0	27.7	25.5	30.7	27.7

Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

For the two years under review, women had a higher unemployment rate than men. The female unemployment rate declined from 32.0 per cent in 2010 to 30.7 per cent in 2019, while the male unemployment rate increased from 24.5 per cent to 25.5 per cent. The White population group's males and females continued to have the lowest respective unemployment rates in 2019 (males at 5.1 per cent and females at 8.4 per cent). The African population group had the highest unemployment rate in 2010 at 32.5 per cent while the Coloured population group had the highest unemployment rate in 2019 at 32.2 per cent. Only the African population group experienced a decline in their unemployment rate between 2010 and 2019, with the other three population groups recording increases.

3.3.3 Employment

Table 3.7 shows the employment distribution across the industries in the province for quarter 4 of 2019 and quarters 3 and 4 of 2020 as well as changes in employment. Figure 3.3 shows the share that each industry contributed to total employment in the Northern Cape in quarter 4 of 2020.

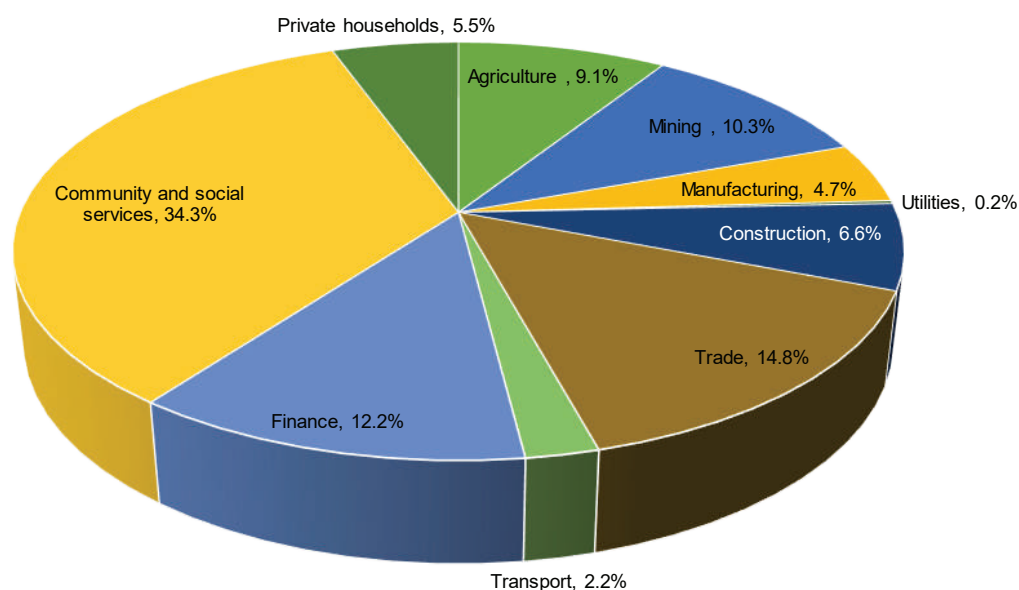
Table 3.7: Employment by Industry for Northern Cape, 2019 Q4, 2020 Q3 and 2020 Q4

Industry	2019 Q4 ('000)	2020 Q3 ('000)	2020 Q4 ('000)	Qtr-to-qtr change ('000)	Yr-on-yr change ('000)
Agriculture	36	28	28	0	-8
Mining	33	34	32	-2	-1
Manufacturing	17	9	14	5	-2
Utilities	1	-	1	-	0
Construction	20	16	20	5	0
Trade	57	43	46	3	-11
Transport	11	7	7	0	-4
Finance	29	27	37	10	9
Community and social services	107	107	106	-1	-1
Private households	26	15	17	2	-9

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

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

Source: Stats SA QLFS 4th Quarter 2020

Figure 3.3: Employment by Industry for Northern Cape, 2020 Q4**Employment by Industry for Northern Cape, 2020 Q4**

Source: Stats SA QLFS 4th Quarter 2020 and own calculations

When we compare quarters 3 and 4 of 2020, only *Mining* and *Community and social services* recorded a decrease at 2 000 and 1 000 respectively. *Finance* saw the largest increase in employment of 10 000, followed by *Manufacturing* (5 000), *Construction* (5 000) and *Trade* (3 000). On an annual basis, only the *Finance* industry managed to record an increase in employment while *Utilities* and *Construction* had no change in employment. *Trade* had the largest decrease in employment on an annual basis at 11 000, followed by *Private households* (9 000) and *Agriculture* (8 000)

Community and social services employed the largest number of people in quarter 4 of 2020 at 106 000, accounting for 34.3 per cent of the people employed in the province. This is followed by *Trade* (46 000 people or 14.8 per cent) and *Finance* (37 000 people or 12.2 per cent). *Utilities* accounted for the smallest share of people employed, followed by *Transport*.

3.3.3.1 Informal Employment

Table 3.8 provides the informal employment by industry for the Northern Cape for 2010 and 2019.

Table 3.8: Informal Employment by Industry for Northern Cape, 2010 and 2019

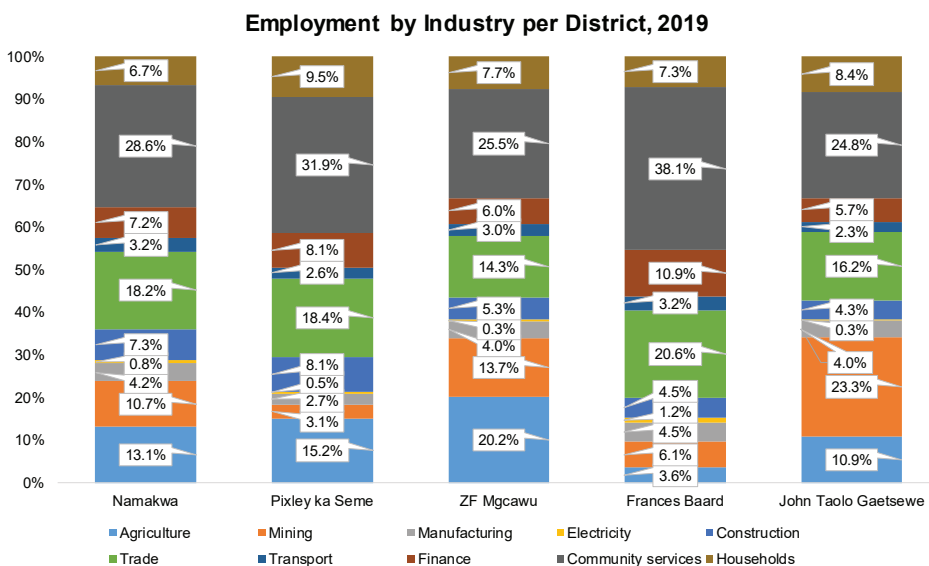
Industry	2010		2019	
	Number	Share (%)	Number	Share (%)
Manufacturing	2 422	8.3	2 416	6.6
Construction	4 062	13.9	4 958	13.4
Trade	11 091	37.8	12 239	33.2
Transport	2 608	8.9	3 241	8.8
Finance	2 410	8.2	4 305	11.7
Community services	6 731	23.0	9 716	26.3
Total	29 322	100.0	36 874	100.0

Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)] and own calculations

Trade accounted for the largest proportion of informal employees in both years, accounting for 37.8 per cent of those working informally in 2010 and 33.2 per cent in 2019. The second largest employing industry was *Community services*. From 2010 to 2019, the number of people employed in the informal sector grew by 7 552.

For each district in the Northern Cape, Figure 3.4 shows the distribution of employment (formal and informal) per industry for 2019.

Figure 3.4: Employment by Industry per District, 2019



Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)] and own calculations

When looking at the total employment (formal plus informal), the *Community services* industry employed the largest portion of people in each district, at 28.6 per cent in Namakwa, 31.9 per cent in Pixley ka Seme, 25.5 per cent in ZF Mgcawu, 38.1 per cent in Frances Baard and 24.8 per cent in John Taolo Gaetsewe. The industry employing the second largest share of people, was *Trade* in Namakwa (18.2 per cent), Frances Baard (20.6 per cent) and Pixley ka Seme (18.4 per cent), *Agriculture* in ZF Mgcawu (20.2 per cent) and *Mining* in John Taolo Gaetsewe (23.3 per cent). The *Electricity* industry employed the smallest share of people in all districts.

3.4 Conclusion

The national unemployment rate was a concerning 32.5 per cent in the fourth quarter of 2020, which was higher than the provincial unemployment rate of 28.7 per cent. On a national level, the number of unemployed people increased by 701 000 from the previous quarter while it increased by 38 000 provincially. The industry that employed the largest share of the workers was *Community and social services* both nationally and provincially. In 2019, females recorded a higher unemployment rate than males, while the Coloured population group recorded the highest unemployment rate among the population groups in the province. Frances Baard followed by ZF Mgcawu contributed the largest respective shares to total employment in the province. The district that recorded the highest unemployment rate in the province in 2019 was Frances Baard.

Chapter 4: Human Development

4.1 Introduction

This chapter gives an analysis of some of the human development indicators in the Northern Cape as well as the district municipalities and in some instances the country. It is important to analyse these indicators in order to assess if there has been an improvement in the lives of the people of the country or the province and to determine where service delivery needs to be improved.

4.2 Poverty

Tables 4.1 and 4.2 below depict the poverty indicators for the 9 provinces and for the districts in the Northern Cape respectively for 2010 and 2019.

Table 4.1: Poverty Indicators by Province, 2010 and 2019

Provinces	2010			2019		
	Total Population	No. of People in Poverty	Percentage of People in Poverty (%)	Total Population	No. of People in Poverty	Percentage of People in Poverty (%)
Western Cape	5 589 068	2 280 172	40.8	6 809 170	3 223 558	47.3
Eastern Cape	6 678 105	4 614 195	69.1	7 293 302	5 098 280	69.9
Northern Cape	1 124 355	592 552	52.7	1 344 878	745 530	55.4
Free State	2 750 740	1 632 665	59.4	2 884 750	1 736 848	60.2
KwaZulu- Natal	10 334 793	6 723 878	65.1	11 466 708	7 800 016	68.0
North-West	3 481 566	2 090 391	60.0	4 141 763	2 510 792	60.6
Gauteng	11 785 774	5 199 598	44.1	14 688 652	6 905 122	47.0
Mpumalanga	3 931 742	2 465 989	62.7	4 472 994	2 793 984	62.5
Limpopo	5 425 164	3 870 908	71.4	5 881 364	4 134 696	70.3
South Africa	51 101 307	29 470 350	57.7	58 983 581	34 948 824	59.3

Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

The number of people living in poverty in South Africa increased from 29.470 million to 34.949 million, while the percentage of people living in poverty increased from 57.7 to 59.3 per cent. In both years under review, Limpopo had the largest percentage of people living in poverty, followed by the Eastern Cape. Gauteng recorded the smallest percentage of people living in poverty in 2019 whereas in 2010 it was the Western Cape. All the provinces with the exception of Mpumalanga and Limpopo recorded increases in the percentage of people living in poverty over the review period.

Table 4.2: Poverty Indicators by District, 2010 and 2019

District	2010		2019	
	No. of People in Poverty	Percentage of People in Poverty (%)	No. of People in Poverty	Percentage of People in Poverty (%)
Namakwa	48 499	38.7	55 319	39.7
Pixley Ka Seme	99 878	52.3	118 017	53.4
ZF Mgcawu	116 004	47.9	138 775	48.8
Frances Baard	201 309	56.1	273 376	62.3
John Taolo Gaetsewe	126 862	61.2	160 043	61.2
Northern Cape	592 552	52.7	745 530	55.4

Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

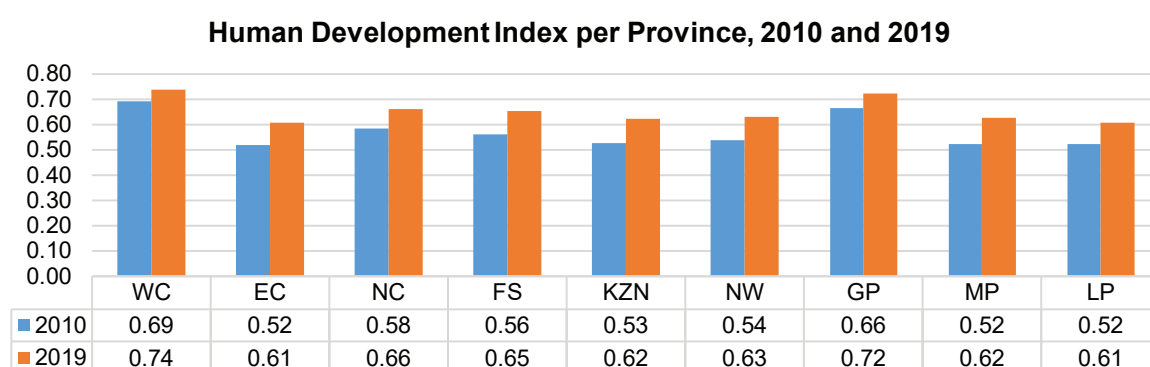
In 2010, John Taolo Gaetsewe had the largest percentage of people in poverty at 61.2 per cent, while in 2019 Frances Baard had the largest percentage at 62.3 per cent. Looking at the percentage of people living in poverty, John Taolo Gaetsewe remained unchanged at 61.2 per cent in 2010 and 2019, while the number of people in poverty increased from 126 862 in 2010 to 160 043 in 2019. The district with the smallest percentage of people living in poverty in both years was Namakwa even though the percentage and number of people in poverty increased. All districts had an increase in the number of people living in poverty between 2010 and 2019 with Frances Baard having the largest number in both years.

4.3 Development Indicators

Three indicators used to measure the level of development are analysed in this section, namely the Human Development Index (HDI), the Gini-coefficient as well as income distribution.

4.3.1 Human Development Index

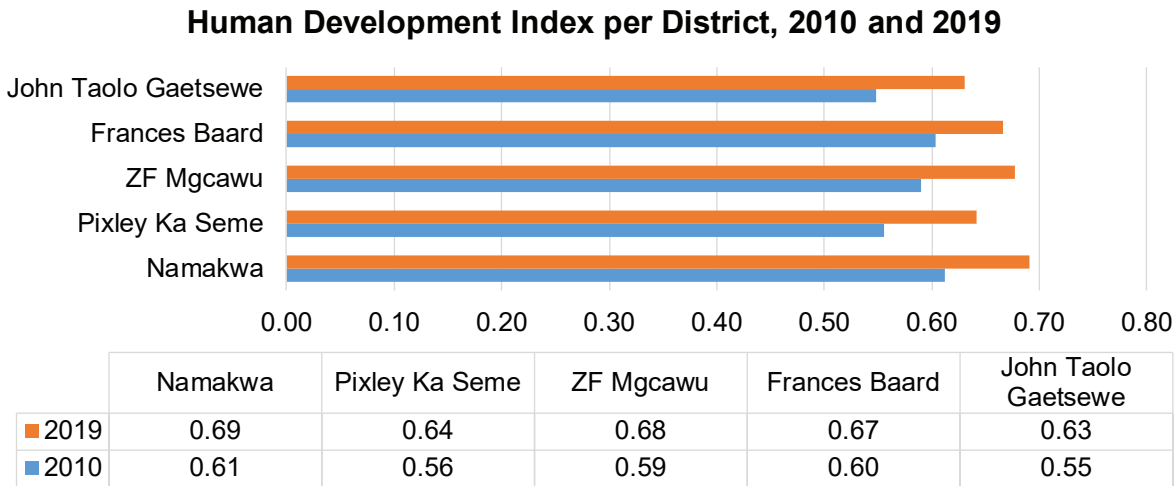
The following graphs show the HDI for the provinces and for the districts in the Northern Cape for 2010 and 2019.

Figure 4.1: Human Development Index per Province, 2010 and 2019

Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

The HDI increased for all provinces. For the Northern Cape, it increased from 0.58 in 2010 to 0.66 in 2019. This indicates that development is taking place and the lives of the people are changing for the better in the province. The Western Cape had the highest HDI in both years under review at 0.69 and 0.74 respectively.

Figure 4.2: Human Development Index per District, 2010 and 2019



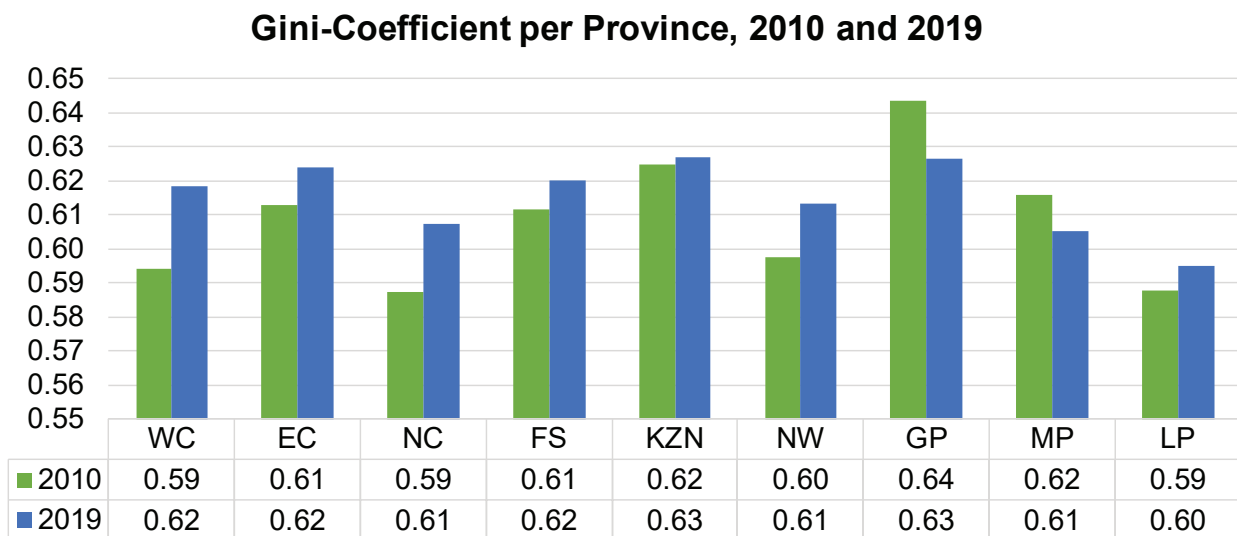
Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

Namakwa had the highest HDI at 0.61 in 2010 and 0.69 in 2019. The district with the lowest was John Taolo Gaetsewe at 0.55 and 0.63 in 2010 and 2019 respectively. The HDI of all the districts in the Northern Cape increased between 2010 and 2019.

4.3.2 Income Distribution

The Gini-coefficient is shown in Figure 4.3 for all provinces in the country for 2010 and 2019.

Figure 4.3: Gini-Coefficient per Province, 2010 and 2019

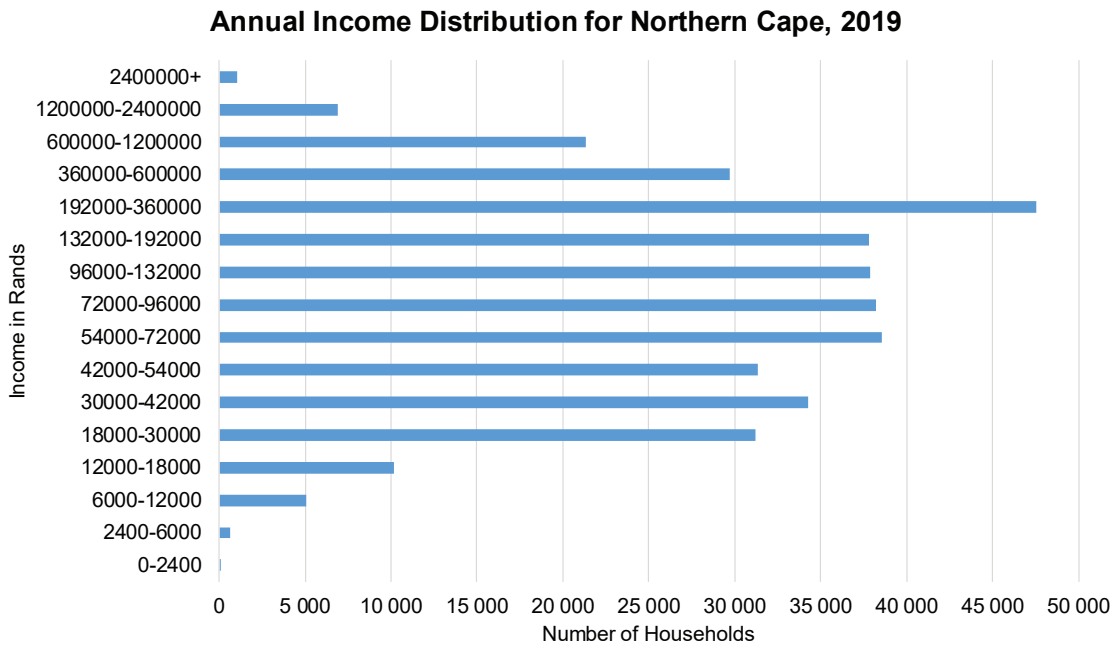


Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

The Northern Cape’s Gini-coefficient increased from 0.59 in 2010 to 0.61 in 2019, which shows a slight increase in income inequality. With the exception of Gauteng and Mpumalanga, all provinces recorded an increase in income inequality.

Figure 4.4 shows the annual income distribution for the Northern Cape for 2019.

Figure 4.4: Annual Income Distribution for Northern Cape, 2019

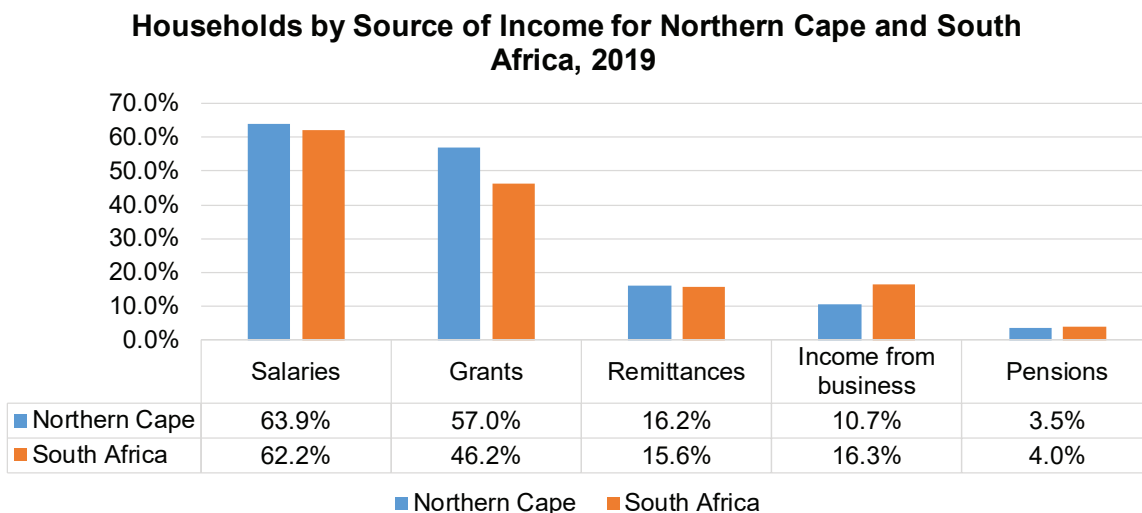


Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

The income bracket with the largest number of households in 2019 was R192 000 to R360 000 per annum. Very few households in the province were earning below R6 000 and above R2 400 000 per annum.

Figure 4.5 shows the percentage of households by income source for 2019.

Figure 4.5: Households by Source of Income for Northern Cape and South Africa, 2019



Source: Stats SA, GHS 2019

In South Africa and the Northern Cape, most households derived their income from salaries followed by grants. Very few households earned an income from pensions. There is a high dependence on grants in the province as well as on a national level.

4.4 Access to Services

4.4.1 Education

Table 4.3 shows the education attainment in Northern Cape and South Africa in 2019 with Table 4.4 providing the education attainment in the districts within the Northern Cape for 2010 and 2019.

Table 4.3: Education Attainment for Individuals Aged 20 Years and Older, 2019

	Northern Cape (%)	South Africa (%)
Other	0.4	0.5
Post School	9.2	15.4
NSC Grade 12	29.1	30.8
Upper Secondary	22.6	25.1
Lower Secondary	16.8	11.8
Completed Primary	5.9	4.2
Some Primary	11.7	8.5
None	4.4	3.7

Source: Stats SA, GHS 2019

The education category with the largest share of people in both the province and in South Africa was *National Senior Certificate (NSC) Grade 12*, followed by *Upper secondary*. Looking at those with no education, at 4.4 per cent compared to 3.7 per cent, the Northern Cape had a larger percentage than the country.

Table 4.4: Education Attainment per District, 2010 and 2019

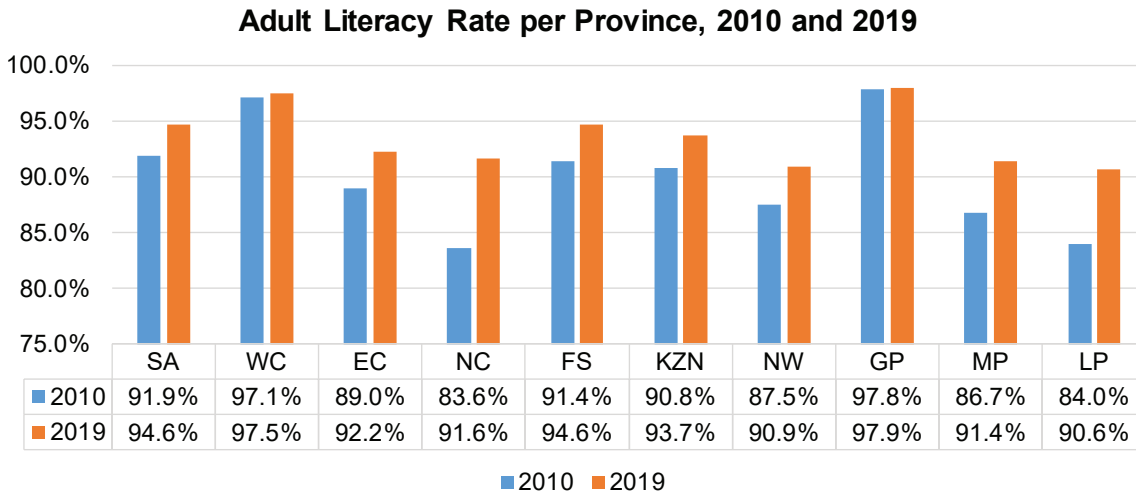
District	Year	No schooling	Grade 0-2	Grade 3-6	Grade 7-9	Grade 10-11	Certificate / diploma without matric	Matric only	Matric & certificate / diploma	Matric & Bachelors degree	Matric & Postgrad degree
Namakwa	2010	5 585	1 808	12 056	28 049	12 878	455	15 757	4 296	1 803	636
	2019	4 385	1 383	11 669	30 748	19 134	431	21 941	5 693	2 564	796
Pixley ka Seme	2010	17 307	3 922	18 412	27 574	17 088	447	22 383	3 633	2 886	981
	2019	14 707	3 158	18 450	31 873	27 428	620	32 631	4 874	4 455	1 042
ZF Mgcawu	2010	14 600	4 495	22 879	40 729	26 879	633	32 165	5 950	3 135	1 174
	2019	11 876	3 953	21 572	46 456	43 651	695	48 570	7 553	4 098	1 121
Frances Baard	2010	22 693	5 094	25 495	47 424	44 942	1 276	56 979	10 718	6 330	2 636
	2019	19 774	4 689	27 920	54 066	67 371	1 246	81 022	14 706	9 673	3 302
John Taolo Gaetsewe	2010	16 553	3 859	18 258	20 919	21 117	533	23 082	6 067	2 427	959
	2019	15 050	3 558	19 376	26 173	36 695	633	37 716	9 238	3 148	1 282

Source: IHS Markit, 2021 [Regional eXplorer Version 2070 (2.6p)]

In all districts, the number of people in the *Matric and post graduate degree* category increased except in ZF Mgcawu where it decreased. The number of people in the category of *No schooling* decreased in all districts between 2010 and 2019. Frances Baard district had the largest number of people in the *Matric only* category at 56 979 and 81 022 in 2010 and 2019 respectively.

In Figure 4.6, the adult literacy rate is provided per province for 2010 and 2019.

Figure 4.6: Adult Literacy Rate per Province, 2010 and 2019



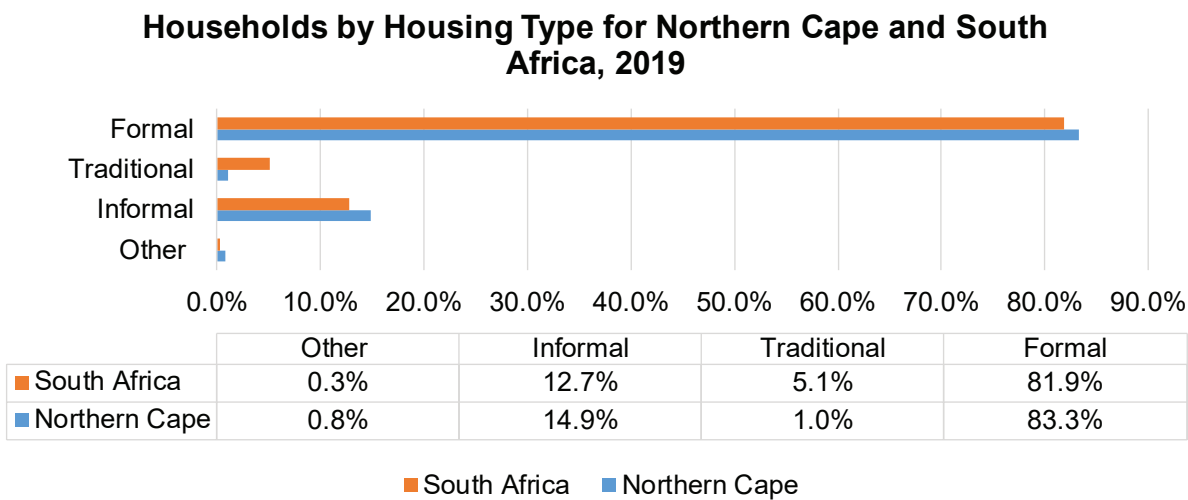
Source: Stats SA, GHS 2019

The adult literacy rate was above 90 per cent in all provinces in South Africa in 2019. The highest rate was in Gauteng followed by the Western Cape for both years, while the lowest was Northern Cape in 2010 and Limpopo in 2019. All provinces showed improvement in their respective literacy rates.

4.4.2 Housing

Figure 4.7 shows the percentage of households by dwelling type for 2019 for South Africa and the Northern Cape.

Figure 4.7: Households by Housing Type for Northern Cape and South Africa, 2019



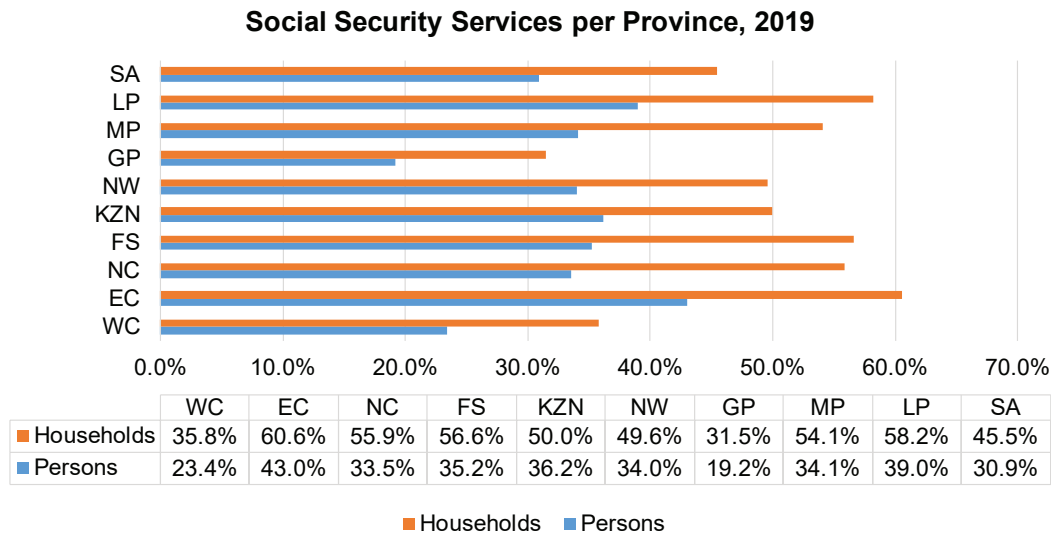
Source: Stats SA, GHS 2019

In 2019, most households made use of a formal housing structure both in the province and in South Africa. This is followed by informal and then traditional housing structures.

4.5 Social Security

The figure below summarises the percentage of individuals and households that benefited from social security services in 2019.

Figure 4.8: Social Security Services per Province, 2019

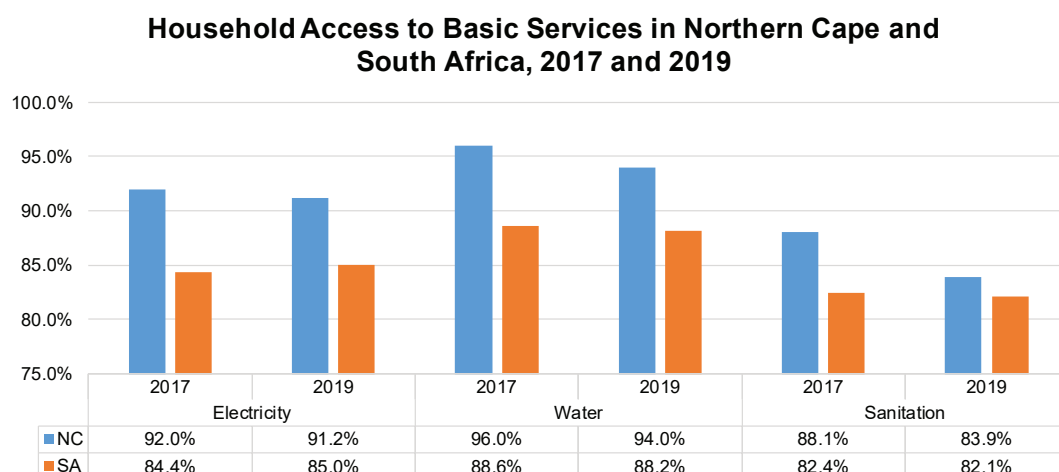


Source: Stats SA, GHS 2019

In the Eastern Cape, 60.6 per cent of households or 43.0 percent of persons benefited from social security. These are the largest percentages when compared to the other provinces. Limpopo had the second largest percentages, where 58.2 per cent of households or 39.0 per cent of persons benefited. By comparison, only 19.2 per cent of individuals in Gauteng and 23.4 per cent in Western Cape were beneficiaries of social security services.

4.6 Access to Basic Services

Figure 4.9 shows the percentage of households according to access to basic services in the Northern Cape and South Africa for 2017 and 2019.

Figure 4.9: Household Access to Basic Services in Northern Cape and South Africa, 2017 and 2019

Source: Stats SA, GHS 2019

The percentage of households with access to water and sanitation services respectively decreased during the period under review in both the Northern Cape and the country. There was an increase in the percentage of households with access to electricity nationally, but provincially it decreased.

Table 4.5 provides the percentage of households with access to sanitation by toilet type for South Africa and the province for 2019.

Table 4.5: Access to Sanitation by Toilet Type, 2019

	Northern Cape (%)	South Africa (%)
Flush Toilet connected to a public sewerage system	60.5	59.9
Flush Toilet connected to a specific or conservancy tank	10.5	3.8
Pour flush toilet connected to sceptic tank/pit	0.3	0.4
Chemical toilet	0.0	0.7
Pit latrine/toilet with ventilation pipe	12.4	17.9
Pit latrine/toilet without ventilation pipe	8.1	14.3
Bucket toilet collected by municipality	0.9	0.9
Bucket toilet emptied by household	0.2	0.2
Ecological sanitation system (Urine diversion/separation)	0.0	0.1
None	5.1	1.3
Other	1.9	0.4

Source: Stats SA, GHS 2019

In the Northern Cape and South Africa, the percentages of households that had access to flush toilets connected to a public sewerage system were 60.5 and 59.9 per cent respectively in 2019. In the province, 0.9 per cent of households made use of a bucket toilet collected by the municipality, while 0.2 per cent made use of a bucket toilet emptied by the household. These percentages were

the same on a national level. Looking at the percentage of households with no toilet, the Northern Cape had 5.1 per cent while the national total was lower at 1.3 per cent.

4.7 Conclusion

The number and percentage of people living in poverty increased in South Africa between 2010 and 2019. HDI in the province showed an improvement, while income inequality measured by the Gini Coefficient increased slightly. The adult literacy rate was above 90 percent in all provinces in South Africa in 2019, with the Northern Cape improving its literacy rate from 83.6 per cent in 2010 to 91.6 per cent in 2019. The province had 33.5 per cent of people and 55.9 per cent of households accessing social security services in 2019. In the Northern Cape, the percentage of people with access to water, electricity and sanitation respectively decreased from 2017 to 2019.



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