



Northern Cape Provincial Treasury

Policy Brief: An Analysis of the Human Development Index of the Northern Cape

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1. Introduction

The Human Development Index (HDI) is used to compare human development across population groups or regions and is a combination of three dimensions of human development. These dimensions are a long and healthy life, knowledge and a decent standard of living. 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. The indicators used to typically measure these are life expectancy (a long and healthy life), adult literacy and/or the combination of enrolment in primary, secondary and tertiary schools (knowledge) and gross domestic product (GDP) per capita (a decent standard of living) (IHS Markit, 2020). To analyse the HDI of the country as well as the Northern Cape, this policy brief will analyse the GDP per capita, life expectancy and literacy rate as well as the HDI itself nationally and provincially. The policy brief will also provide more insight into part of the legislation and policy framework within which the HDI (or its components) is targeted. The final section provides a conclusion and recommendations.

2. Importance of Human Development

The concept of human development has been developing over time in both developing and developed countries. It gained popularity during the 1990s after the publication of the first Human Development Report by the United Nations Development Programme (UNDP). Human development has been one of the objectives in the development plans of many countries, as it has been clear that economic growth alone is not adequate to improve people's lives. The emphasis had to be put on social indicators as well. Substantial progress has been made in various countries although with existing challenges. From 1990 to 2015, the number of countries categorized as having low human development declined from 62 to 41, while those classified as having very high human development increased from 11 to 51 (UNDP, 2016).

The aim of human development is to create an allowing atmosphere for people to enjoy long, healthy and creative lives. Human development embodies a commitment to ensure rights, voice, security and freedom – not to most, but to all people across the world. It also stresses the importance of sustaining capabilities and opportunities throughout an individual's lifecycle and for subsequent generations (UNDP, 2016).

Human development is a process of increasing people's choices. This also includes political freedom, human rights and personal self-respect (UNDP, 1990).

The analysis of human development is essential in that it is positively related to economic growth. Apiah, Amoasi and Frowne (2019) empirically investigated the influence that human development had on the economic growth and development of African countries from 1990 to 2015. The results show the existence of a positive and significant impact of human development on economic growth and development. Furthermore, the study by Rahman, Raja and Ryan (2020), supported the existence of a positive relationship between the HDI (as a measure of human development) and economic growth. A panel data approach was adopted whereby an analysis included a group of developing and developed countries. A significant positive link between HDI and economic growth was found for both the developed and developing economies.

The components of the HDI are also expected to positively contribute to the economy. For example, as a country's level of education rises, people's skills and knowledge improve and so will their capabilities, leading to increased productivity. As a person's level of education and skills improves (assuming it is in line with the skills demands of the time), the easier it gets to find employment and to receive better remuneration than a person of lower education and skills levels. The income that these people generate gets spent, thus supporting economic activity. If the person earns an income that is taxable, that also contributes to the tax-base of the country. In terms of health, if more people are healthier and live longer, the necessary and required skills will be available for longer, and there is less pressure on the health system. If people are less absent from work due to illness, it also contributes to productivity. These matters are beneficial for the labour market and the economy.

3. Legislative and Policy Framework

This section provides some of the legislation and policies that are aimed towards human development in South Africa.

3.1 The Constitution of the Republic of South Africa, Act 108 of 1996

There are a number of rights that the Constitution (South African Government, 1996) assures South Africans, and these rights are spelled out in Chapter 2 (the Bill of Rights). In terms of health, Section 27 states that everyone has the right to have

access to healthcare services, including reproductive health care. Moreover, Sub-section (2) asserts that the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of these rights. Lastly, Sub-section (3) indicates that no one may be refused emergency medical treatment.

Regarding education, Section 29 states that everyone has the right to a basic education, including adult basic education; and to further education, which the state, through reasonable measures, must make progressively available and accessible. Furthermore, Sub-section (2) assures every citizen of their right to receive education in the official language of their choice in various public institutions, while Sub-section (3) assures everyone of the right to establish and maintain independent educational institutions at their own expense, and these should not be discriminatory in terms of race, should be registered with the state and maintain standards that are not inferior to those of other public institutions.

3.2 National Development Plan (NDP)

The NDP (South African Government, 2012) is the long-term plan for South Africa designed to respond to the country's major socio-economic challenges including the eradication of poverty and the reduction of inequality. Health issues are addressed in Chapter 10 of the NDP. The NDP envisions to have a health system that works for everyone, produces positive health outcomes and is not out of reach. This vision is intended to be achieved by 2030 amongst others by:

- Increasing life expectancy of South Africans to at least 70 years;
- Meaningfully reducing the burden of diseases; and
- Achieving an infant mortality rate of less than 20 deaths per thousand live births, including an under-5 mortality rate of less than 30 per thousand.

The NDP has set some priorities to achieve these goals and they include addressing social determinants affecting health, strengthening the health system as well as improving health information systems.

With regard to education, the NDP's vision for 2030 is that South Africans should have access to education and training of the highest quality, which will lead to significantly improved learning outcomes. Furthermore, the NDP aims to have South African

learners' performance comparable, in terms of international standardised tests, to those of other learners from countries with the same level of development and with the same access levels. Education should also be required up to Grade 12 or equivalent levels in vocational education and training. To realise this vision, a number of proposals have been made in all phases of education, namely, early childhood development (ECD), basic education and post-school. With regard to ECD, government transferred this function from the Department of Social Development to the Department of Basic Education in 2019 in order to improve ECD services. Additionally, two years of quality preschool enrolment has also been made essential for children before entering Grade 1. In improving basic education, the NDP aims, amongst others, to have 450 000 learners being eligible for a bachelor's programme with mathematics and science. In terms of post-school education, the proposals made include increasing the number of graduates from 167 469 for both the private and public higher education institutions to 425 000 by 2030.

Economic issues and objectives, including GDP per capita, are addressed in Chapter 3 of the NDP (Economy and Employment). Regarding GDP per capita, the target is that it should more than double from about R50 000 per person in 2010 to R110 000 in 2030 (at constant prices). Furthermore, there are plans to stimulate the economy in general as well as creating jobs to reduce unemployment to 6 per cent by 2030.

3.3 Medium-Term Strategic Framework (MTSF) 2019-2024

As South African government's five year programme, the MTSF ensures that key government priorities are translated into implementable activities and targets. The previous MTSF (2014-2019) served as the first five-year implementation plan of the NDP, developed around two overarching themes: radical economic transformation and improving service delivery. The 2019-2024 MTSF is the second NDP implementation plan and monitoring framework, building on the progress made during the 2014-2019 cycle to contribute to the attainment of the NDP goals. This MTSF is built on three foundational pillars, namely, a strong and inclusive economy, capable South Africans and a capable developmental state. It sets out seven priorities through which the implementation of the NDP will be fast-tracked during the remaining ten years. These priorities are (South African Government, 2019):

- Priority 1: Building a Capable, Ethical and Developmental State

- Priority 2: Economic Transformation and Job Creation
- Priority 3: Education, Skills and Health
- Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services
- Priority 5: Spatial Integration, Human Settlements and Local Government
- Priority 6: Social Cohesion and Safe Communities
- Priority 7: A Better Africa and World

Although all of these priorities ultimately contribute to the attainment of the NDP goals, the three HDI components relate more to Priority 2 (Economic Transformation and Job Creation) and Priority 3 (Education, Skills and Health). The framework outlines various outcomes, interventions, indicators and targets through which the seven priorities, and thus the NDP goals, are to be achieved.

Some of the interventions in terms of the priorities stated above are to generate jobs through Operation Phakisa and other government employment programmes; to ensure that there is an empowering environment for employment supported by policy and regulations; to create decent jobs among youth, women and persons with disabilities, whilst improving processes of doing business; amongst other things is also to allow a favourable environment that permits national identified sectors to support industrialisation and localisation, leading to increased exports, employment, and youth and women-owned SMME contribution.

There are targets to improve school readiness for children by 99 per cent, including rolling out the best practices with regard to planning for lessons and graded reading books. Through partnership with institutions of higher learning and the Funza Lushaka bursary programme, there are also targets to ensure that enough young teachers with the relevant skills join the teaching profession. There is also an intervention to ensure that youth are well equipped for further studies and employment past Grade 9. Escalation of access amongst historically disadvantaged learners to 'niche' subjects like engineering and computing is also one of the objectives.

Regarding health, some of the targets are to provide a quality health enhancement strategy in public health facilities so that it meets the quality standards essential for certification and accreditation for National Health Insurance (NHI), as well as

improving the quality of primary healthcare services with regards to the expansion of the ideal clinic programme. Another intervention is the improvement of access to maternal health services.

3.4 Sustainable Development Goals (SDGs)

South Africa is part of the global community and as such it should ensure that its policies and programmes are linked to and contribute to those of the world. As a member of the United Nations, the country should contribute to and report progress on the implementation of the SDGs. The goals build on the objectives and achievements of the Millennium Development Goals (MDGs) which came to an end in 2015. The three components of the HDI fall under the following SDGs:

- Life expectancy: Goal 3 (Good Health and Well-Being)
- Literacy rate: Goal 4 (Quality Education)
- GDP per capita: Goal 8 (Decent Work and Economic Growth)

The following are some of the targets set for each of these goals:

“Goal 3: Good Health and Well-Being

- Halve the number of global deaths and injuries from road traffic injuries by 2020;
- Reduce the global maternal mortality ratio to less than 70 per 100 000 live births by 2030; and
- Ending the epidemics of Acquired Immune Deficiency Syndrome (AIDS), TB, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases by 2030” (UN, 2015a).

“Goal 4: Quality Education

- Ensure that all boys and girls complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes by 2030;
- Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university by 2030; and
- Ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy” (UN, 2015b).

“Goal 8: Decent Work and Economic Growth

- Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent GDP growth per annum in the least developed countries;
- Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors; and
- Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value by 2030” (UN, 2015c).

4. Human Development Index and its Components

This section analyses the components of the HDI as well as the HDI of the country and the province. This assists provincial government to see how the province is performing compared to the country as a whole, as well as looking at whether there has been progress or whether there is a need for intervention or more attention in certain areas as relating to literacy, life expectancy and GDP per capita.

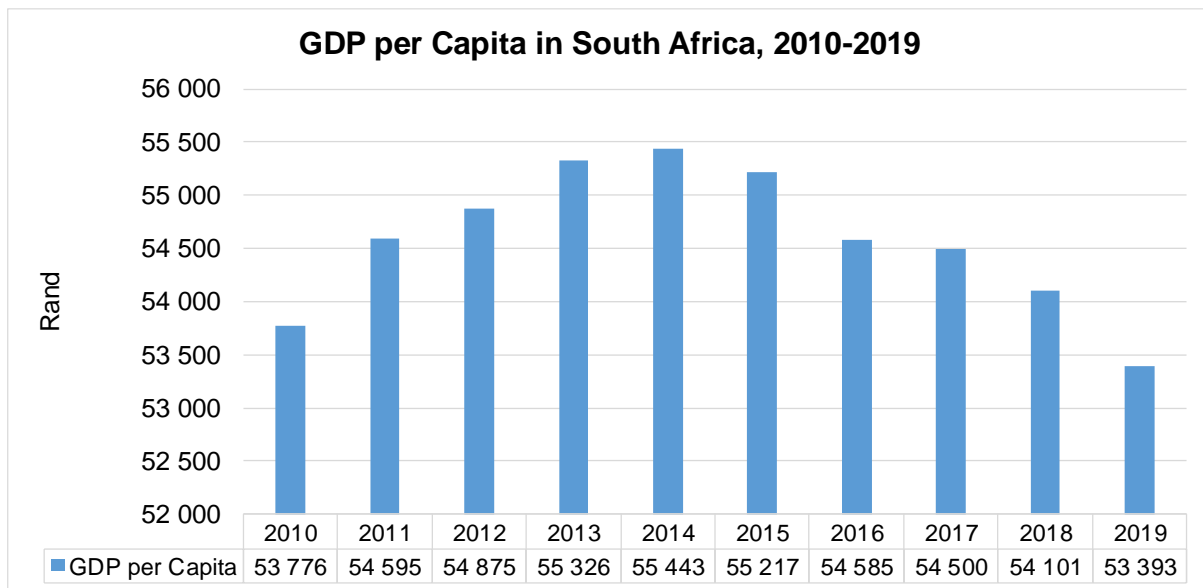
4.1 National Context

The South African government has done a lot to ensure that the lives of its citizens improve over the years. Substantial progress has been made, although challenges exist in various areas. This sub-section provides an overview of the three components of the HDI as well as the HDI in South Africa.

4.1.1 GDP per Capita

GDP per capita measures the sum of marketed goods and services produced within the national boundary, averaged across everyone who lives within this territory (OECD, 2014). In other words, GDP per capita is GDP (defined as the total value of all goods and services produced within a country in one year) divided by that country’s total population. The following graph illustrates the GDP per capita for South Africa from 2010 to 2019. The GDP per capita is provided at constant 2010 prices in order to take out the effect of inflation.

Figure 1: GDP per Capita in South Africa, 2010-2019



Constant 2010 prices

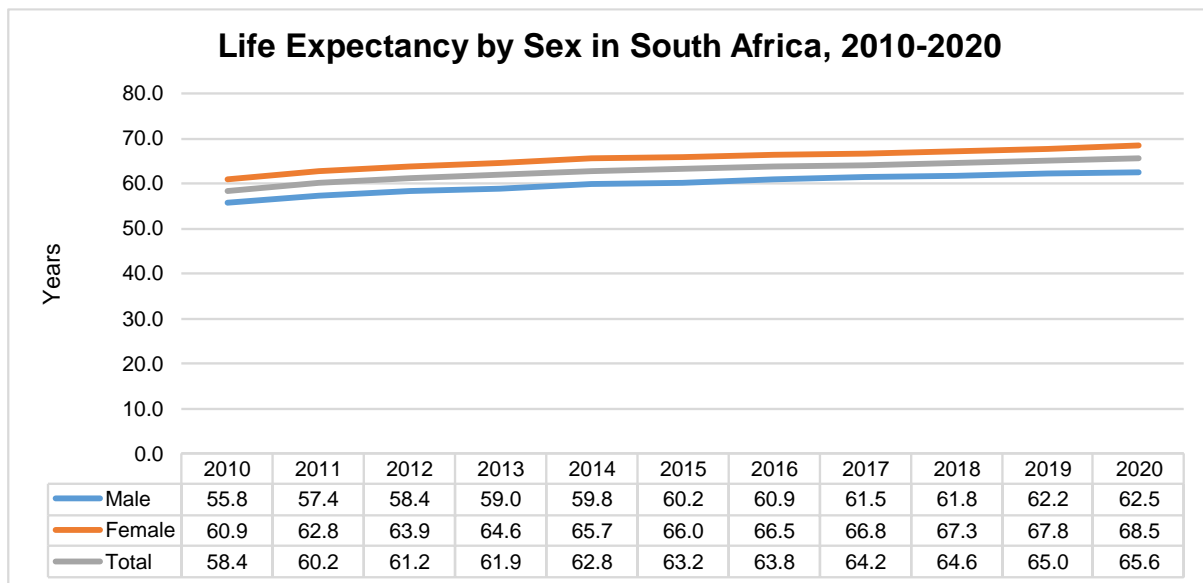
Source: IHS Markit, 2020

The South African economy has not been doing well while the population has been increasing every year. This has resulted in the decline in the GDP per capita, as shown by the graph's downward trend from 2014 onward. During the period under review, the country's GDP per capita was at its highest point in 2014 at R55 443, decreasing to R53 393 in 2019, which was also less than in 2010. With the severe impact of Coronavirus Disease 2019 (Covid-19) on the global economy in 2020, it is expected that the GDP per capita of South Africa should also be affected negatively with the economy projected to contract by 7.8 per cent in 2020 (National Treasury, 2020).

4.1.2 Life Expectancy

Statistics South Africa (2020) defines life expectancy as the average number of years that a new-born can expect to live based on the mortality conditions at the time. Figure 2 provides the life expectancy by sex in South Africa for 2010 to 2020.

Figure 2: Life Expectancy by Sex in South Africa, 2010-2020



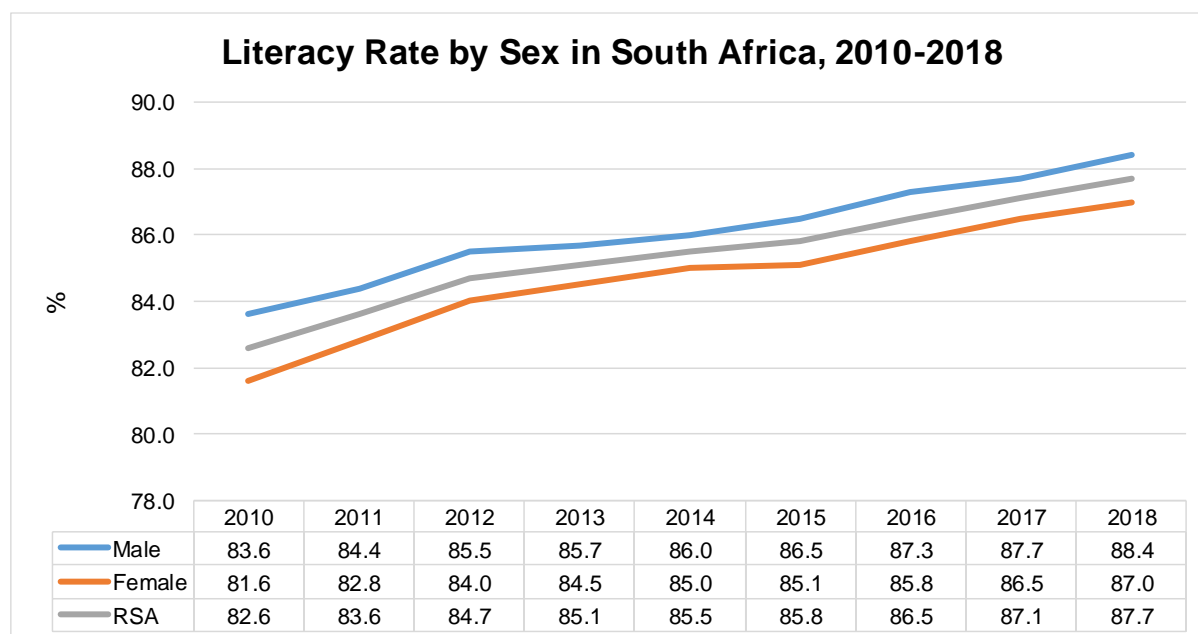
Source: Statistics South Africa, 2020

Life expectancy has been rising consistently in South Africa. Females have a longer life expectancy in comparison to males. In 2019, life expectancy for females was 67.8 years while it was 62.2 years for males, with an overall life expectancy of 65.0 years. For 2020, females' life expectancy is slightly more at 68.5 years while it increased to 62.5 years for males and 65.6 years overall. The overall life expectancy increased from 58.4 years in 2010 to 65.6 years in 2020.

4.1.3 Literacy Rate

Literacy is the ability to read, write, speak and listen in a way that lets us communicate effectively and make sense of the world (National Literacy Trust, n.d.). Figure 3 shows South Africa's literacy rate for people aged 15 years and older by sex in South Africa for the period from 2010 to 2018.

Figure 3: Literacy Rate by Sex in South Africa, 2010-2018



Source: Statistics South Africa, 2009-2018

In general, the literacy rate in South Africa has risen throughout the years under review. The overall literacy rate for the country was 82.6 per cent in 2010 and increased to 87.7 per cent in 2018. When looking at the two genders, males had a higher literacy rate than females. In 2010, the literacy rate for males was 83.6 per cent while for females it was 81.6 per cent. However, over the years the female literacy rate has been getting slightly closer to that of males. In 2018, females' literacy rate was 87.0 per cent while for males it was 88.4 per cent.

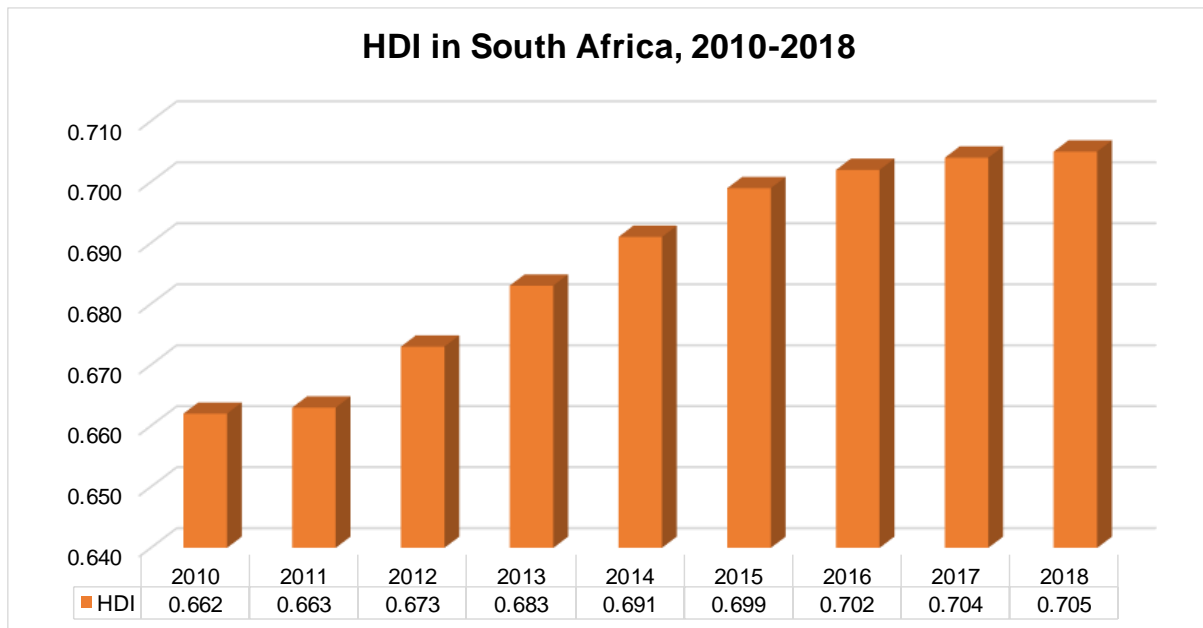
4.1.4 HDI

The HDI takes on a value from 0 to 1 and is interpreted depending on the value, namely (UNDP, 2020):

- Very high human development: 0.800 and above;
- High human development: 0.700 to 0.799;
- Medium human development: 0.550 to 0.699; and
- Low human development: below 0.550.

Figure 4 illustrates the HDI for South Africa for the period from 2010 to 2018.

Figure 4: HDI in South Africa, 2010-2018



Source: UNDP, n.d.

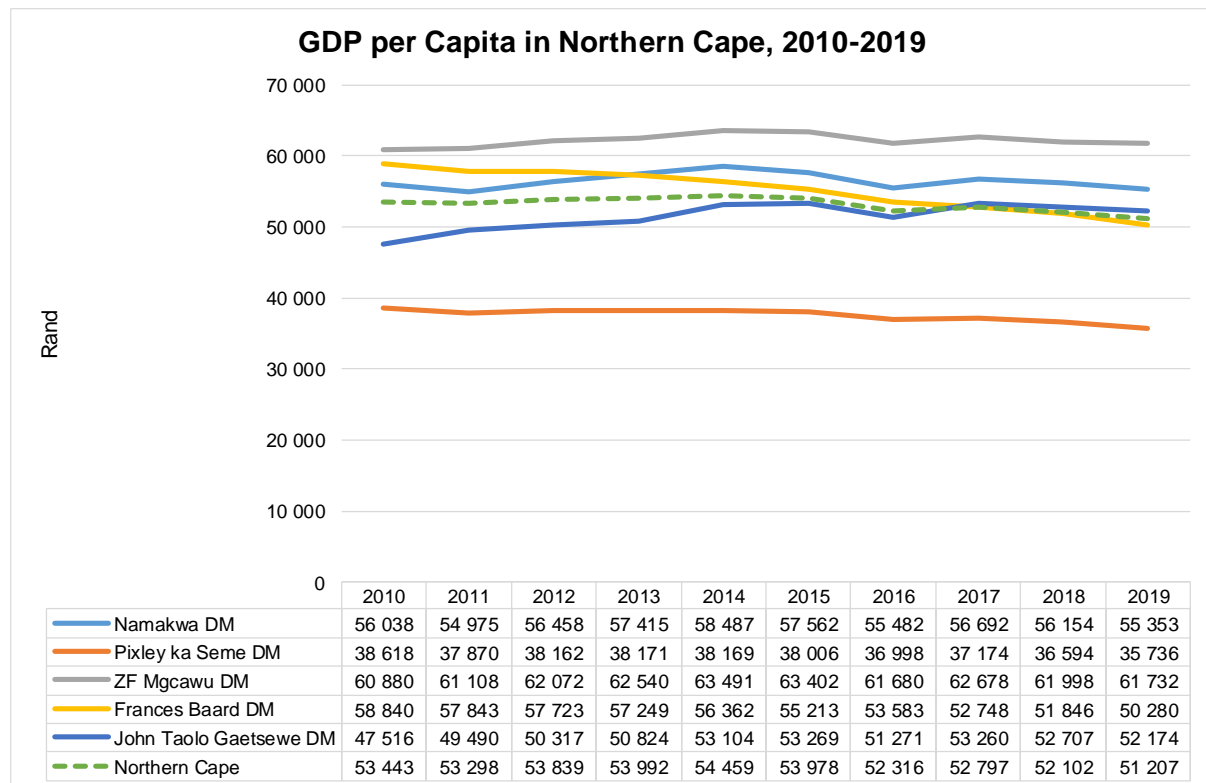
South Africa's HDI has been increasing from one year to the next since 2010. The positive picture painted by this graph in terms of the increasing HDI suggests improvement in the development and people's lives. The country's HDI rose from 0.622 in 2010 to 0.705 in 2018. The HDI of 0.705, falls into the "high human development" category.

4.2 Northern Cape Context

4.2.1 GDP Per Capita

The following graph shows the GDP per capita for the Northern Cape and its district municipalities for the period from 2010 to 2019.

Figure 5: GDP per Capita in Northern Cape, 2010-2019



Constant 2010 prices

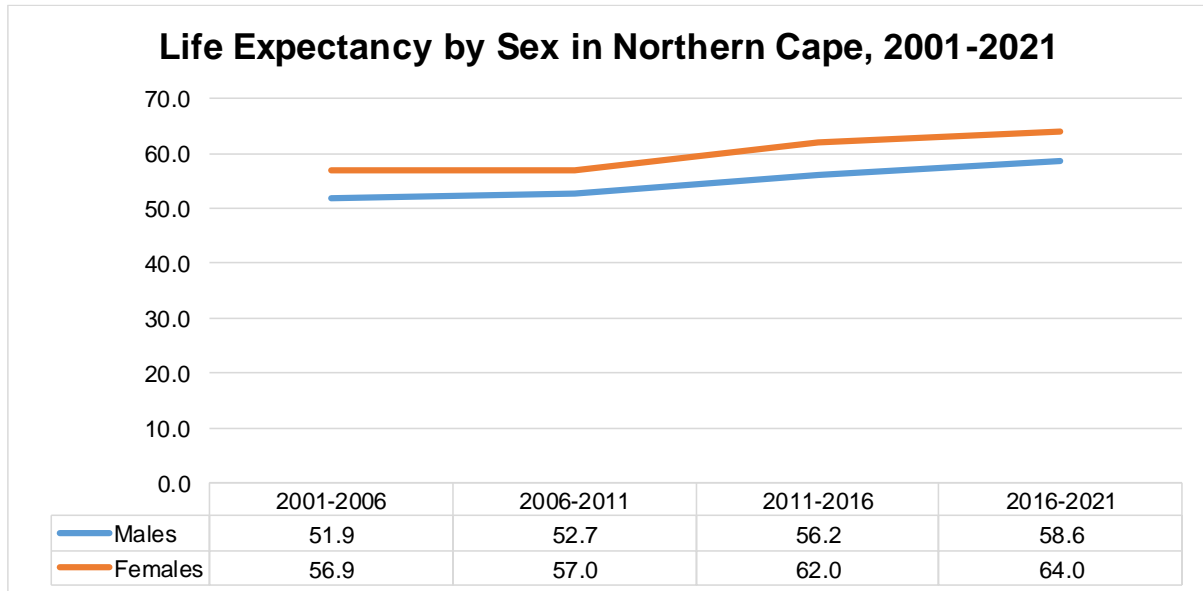
Source: IHS Markit, 2020

GDP per capita in the province decreased over the period under review from R53 443 in 2010 to R51 207 in 2019. It reached its highest level in 2014 at R54 459. The district with the largest GDP per capita was consistently ZF Mgqawu. The district's GDP per capita was R60 880 in 2010, increasing to a high of R63 491 in 2014. In 2019, this value was lower at R61 732. The value of the GDP per capita of Pixley ka Seme was consistently lower than the other districts. The district recorded GDP per capita of R38 618 in 2010, decreasing to R35 736 in 2019.

4.2.2 Life Expectancy

In Figure 6, the average life expectancy at birth in the Northern Cape for the period from 2001 to 2021, grouped in intervals, is illustrated.

Figure 6: Life Expectancy by Sex in Northern Cape, 2001-2021



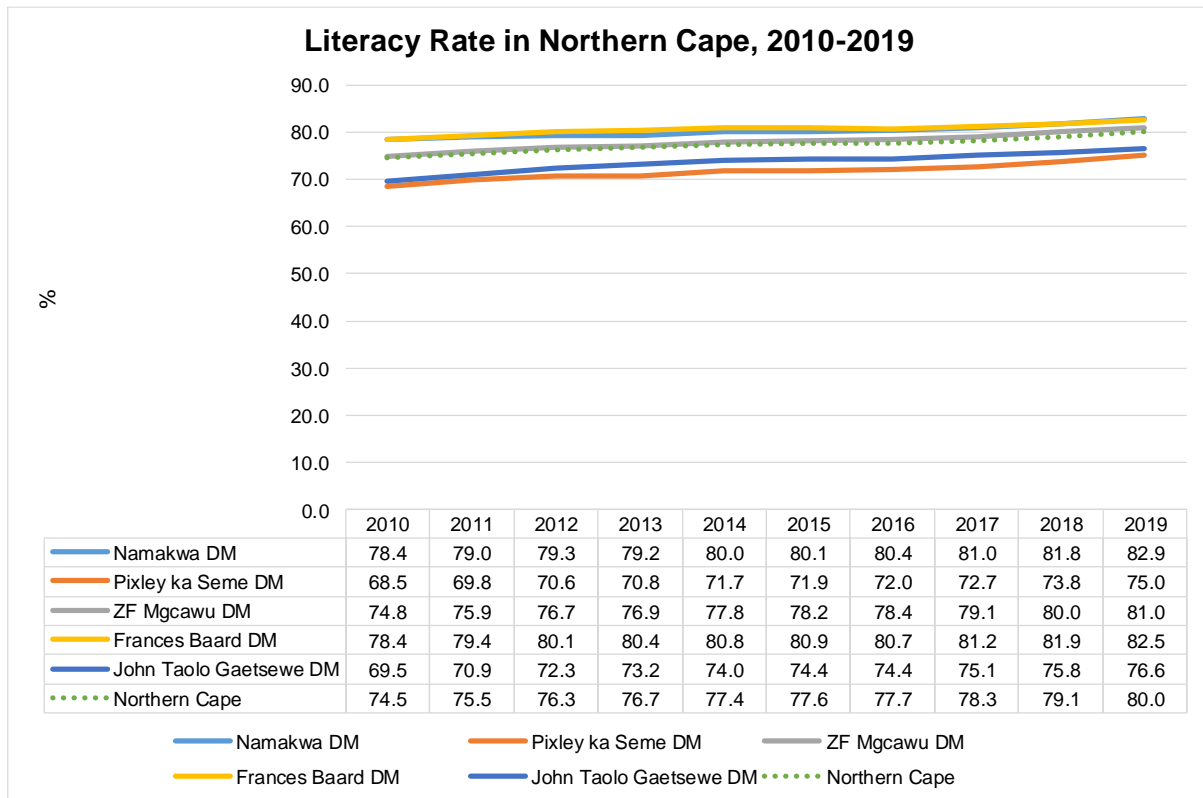
Source: Statistics South Africa, 2020

In the province, life expectancy at birth for 2016-2021 is estimated at 58.6 years for males and 64.0 years for females. In this period, there is a 5.4-year difference between the estimated male and female life expectancies. The life expectancy of people in the province increased continuously from the 2001-2006 period to the 2016-2021 period.

4.2.3 Literacy Rate

The literacy rate of those aged 15 and older of the Northern Cape and its district municipalities for the period from 2010 to 2019 is provided in Figure 7.

Figure 7: Literacy Rate in Northern Cape, 2010-2019



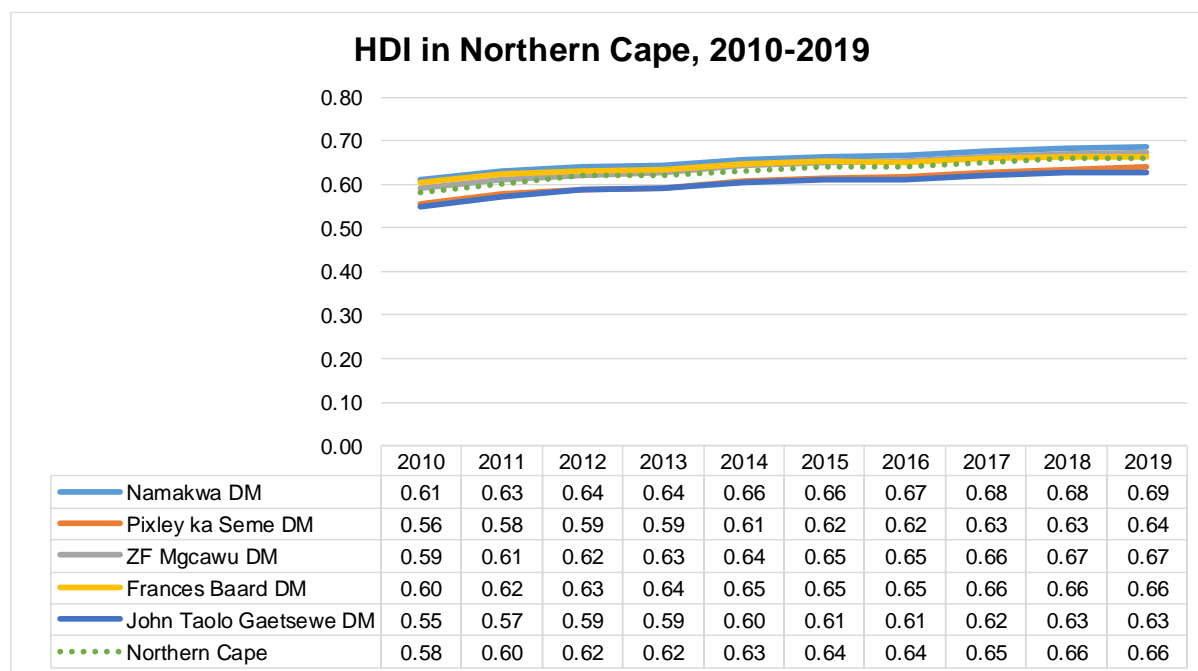
Source: IHS Markit, 2020

Over the review period, the literacy rate increased every year in the Northern Cape. It increased from 74.5 per cent in 2010 to 80.0 per cent in 2019. This is possibly due to more people in the province accessing education. The Pixley ka Seme district had the lowest literacy rate at 68.5 per cent in 2010, increasing to 75.0 per cent in 2019. In 2019, the literacy rates of the Namakwa, ZF Mgcawu and Frances Baard districts were higher than the provincial total. The district with the highest literacy rate in 2019 was Namakwa.

4.2.4 HDI

The following graph shows the HDI of the Northern Cape and its districts for the period from 2010 to 2019.

Figure 8: HDI in Northern Cape, 2010-2019



Source: IHS Markit, 2020

The provincial HDI increased from 0.58 in 2010 to 0.66 in 2019. In 2019, the HDI was the highest in Namakwa at 0.69, followed by ZF Mgcawu (0.67), Frances Baard (0.66), Pixley ka Seme (0.64) and John Taolo Gaetsewe (0.63). All of the districts recorded an increase in their respective HDIs over the review period. The value of the HDI in the province and the districts can be interpreted as “medium human development” as per the classification in Section 4.1.4. When compared to the national HDI, the provincial HDI is lower.

5. Conclusion and Recommendations

When looking at the three components of the HDI on a national level, there has been an improvement in the life expectancy and literacy rate, but the GDP per capita deteriorated. This could be as a result of poor economic activity while the population has been growing constantly. At provincial level, all indicators except GDP per capita showed an improvement over the review period. Once again, the poor economic performance accompanied by positive population growth plays a role in this

unfavourable situation. Overall, the increase in the HDI of the country and the province shows that the human development improved. The country's HDI falls into the "high human development" category, while the provincial HDI falls into the "medium human development" category.

Provincial government needs to continuously strengthen its policies and strategies to improve the indicators analysed above, which will ultimately improve the people's lives. Although it will be difficult, considering the global challenges at the moment, provincial government needs to have a progressive plan to deal with the economic and health challenges facing the country and the province. Improving the economic performance of the province through consistent assistance and interventions aimed at businesses as well as small scale entrepreneurs should assist in improving the GDP per capita. Economic policy and reforms need to be implemented robustly and effectively to achieve the goals of the country and better the lives of its citizens. Improved access to quality healthcare as well as educating people on healthy life choices should assist in further improving the life expectancy of the people. Increased awareness of and access to adult education programmes for adults that are illiterate as well as educating parents of the importance of education for their children should assist in bettering the literacy rate.

In order to better the development of the people in the province, provincial government should continue to implement the MTSF in support of the goals set out in the NDP.

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