PROVINCIAL TREASURY

PROVINCIAL ECONOMIC REVIEW AND OUTLOOK

2017

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Provincial Economic Review and Outlook 2017

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Provincial Economic Review and Outlook 2017
The Northern Cape Provincial Economic Review and Outlook 2017 is compiled using the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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Foreword

At the time of publishing the Provincial Economic Review and Outlook, the expectations of the International Monetary Fund (IMF) are that economic activity should pick up especially in emerging market and developing economies in 2017 and 2018 after slow economic performance in 2016. Strong growth is expected in China and India, while Sub-Saharan Africa is forecasted to grow at 2.8 per cent in 2017 and 3.7 per cent in 2018. Expectations are that global economic growth should improve slightly to 3.4 and 3.6 per cent in 2017 and 2018 respectively. National Treasury estimates that the South African economy grew by 0.5 per cent in 2016, and is forecasting it to grow slightly faster at 1.3 per cent in 2017. The provincial economy grew by 0.9 per cent in 2015, with mining still the largest industry. Frances Baard District, followed by ZF Mgcawu made the largest contributions to the provincial economy.

In the province, the secondary sector employed the smallest number of workers in 2016. If the provincial economy was to be diversified and more primary sector products were beneficiated, it could create higher economic growth and thus more jobs in manufacturing. Job creation will assist the province to further alleviate poverty and to create a better future for the people of the Northern Cape.

The information in this publication on the socio-economic conditions of the province can assist Provincial Government and other relevant stakeholders with planning and decision-making to allocate resources more effectively and efficiently.

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MN Jack (MPL)

MEC for Finance, Economic Development and Tourism

Table of Contents

List of Figures

List of Tables

List of Acronyms

CDG	Care Dependency Grant
CSG	Child Support Grant
DG	Disability Grant
FCG	Foster Child Grant
GDP	Gross Domestic Product
GDPR	Gross Domestic Product by Region
GIA	Grant in Aid
HDI	Human Development Index
IMF	International Monetary Fund
L:E	Learner to educator (ratio)
L:S	Learner to school (ratio)
NC	Northern Cape
OAG	Old Age Grant
Q	Quarter
RDP	Reconstruction and Development Programme
SA	South Africa
SARB	South African Reserve Bank
SASSA	South African Social Security Agency
Stats SA	Statistics South Africa
UN	United Nations
VIP	Ventilation Improved Pit
WHO	World Health Organisation
WVG	War Veteran's Grant

Executive Summary

The Northern Cape's population was estimated at 1.2 million in mid-2016, which was the smallest of all the provinces and represented 2.1 per cent of the total South African population. Out of this population, males were more than females. The age cohort that had the largest share of the total population was children aged 0 to 4 years whereas those aged 70 to 74 had the smallest share. The province had a decline in fertility between the 2006 to 2011 and 2011 to 2016 periods and reported the smallest number of deaths in 2016. The province was more urbanised in 2015 compared to 2005.

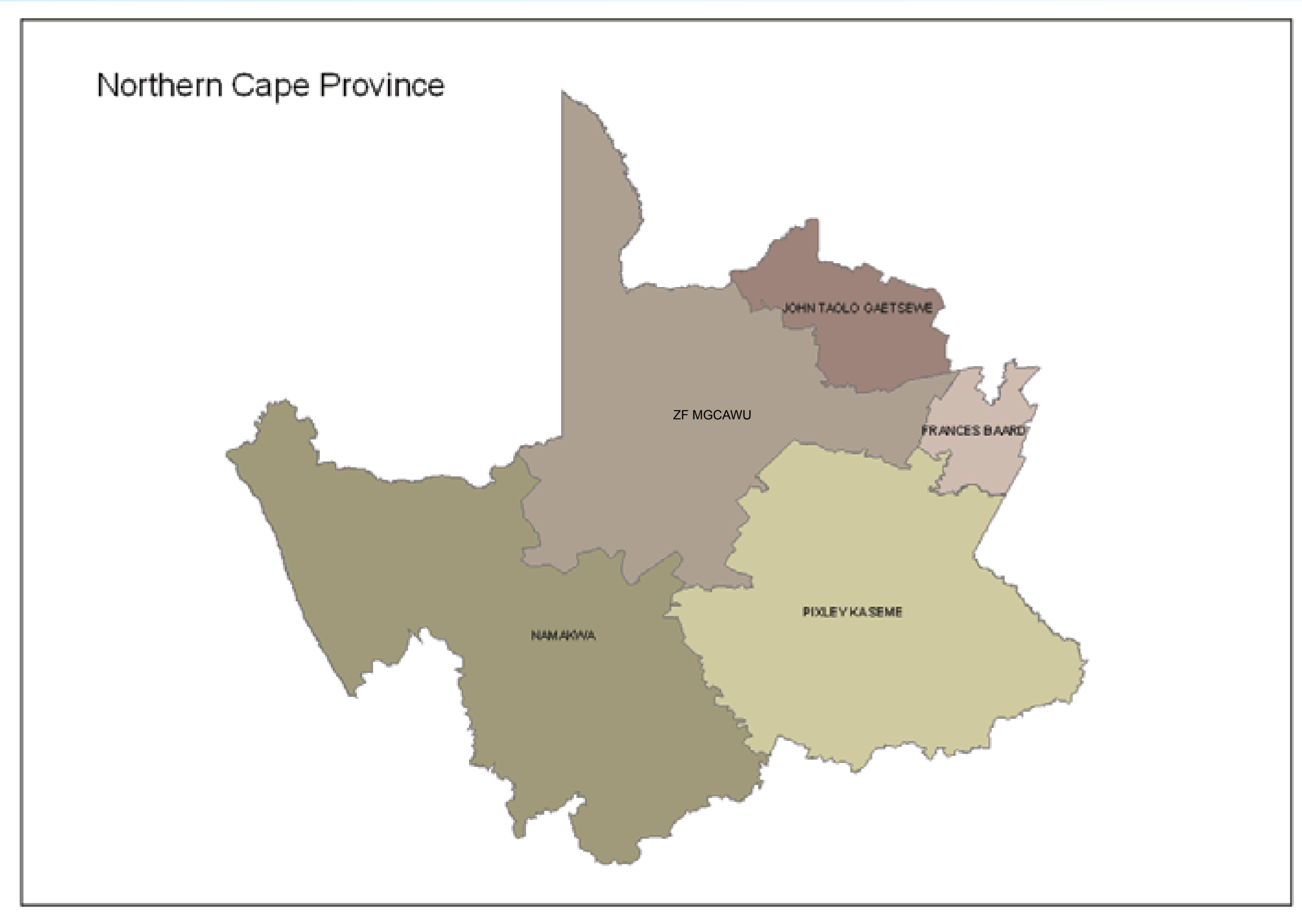
Economic activity is expected to pick up especially in emerging market and developing economies in 2017 and 2018 after slow economic performance in 2016. Global economic growth is expected to improve slightly to 3.4 and 3.6 per cent in 2017 and 2018 respectively. From quarter 1 of 2015 to quarter 4 of 2016, agriculture, forestry and fishing contracted in each quarter, while construction, finance, real estate and business and personal services recorded positive growth in each quarter. South Africa's level of inflation has consistently failed to remain within the SARB target range of 3 to 6 per cent throughout 2016. In 2015, the national economy grew by 1.3 per cent and the provincial economy grew by 0.9 per cent. The Gauteng, KwaZulu-Natal and Western Cape Provinces together contributed more than 60 per cent to the national economy. The Frances Baard District Municipality had the largest economy in the province, followed by ZF Mgcawu. Although the contribution made by the mining and quarrying industry to the provincial economy decreased over the ten year period, it still remained the largest industry in the province, followed by general government services.

Unemployment in South Africa increased, with the Northern Cape province having the largest increase in unemployment rate from quarter 4 of 2015 to quarter 4 of 2016. Despite the drought that was experienced in 2016, at a national level the agriculture industry registered an increase in employment between quarters 3 and 4 of 2016. At a provincial level, the secondary sector had the smallest number of workers for quarter 4 of 2015 and quarters 3 and 4 of 2016. The community and social services industry recorded the largest share of employment in all three quarters under review. In terms of race, Africans recorded the highest unemployment rate in 2005 while Coloureds recorded the highest in 2015. Females recorded higher unemployment levels than males.

Despite the increase in the population of the Northern Cape Province in 2015, the poverty rate decreased between 2005 and 2015. The poverty gap rate also declined. The province continued to develop; recording an HDI of 0.65 in 2015. With regard to income distribution, the province recorded the second lowest Gini coefficient in the country in 2015 at 0.596. This is a step in the right direction for achieving a more equal distribution of income. In terms of access to services, the province had an overall total of 290 139 learners with a total number of 581 schools and a combined number of 9 162 educators. There were 252 health facilities in the province including one tertiary hospital and one regional hospital with 11 district hospitals.

There has been a general improvement in the number of households with access to basic services; however the province still has work to do in eradicating the bucket system and also connecting households which currently have no formal piped water and electricity. The total number of grant recipients in the province increased from January to December 2016.

Provincial Economic Review and Outlook



1 Demography

1.1 Introduction

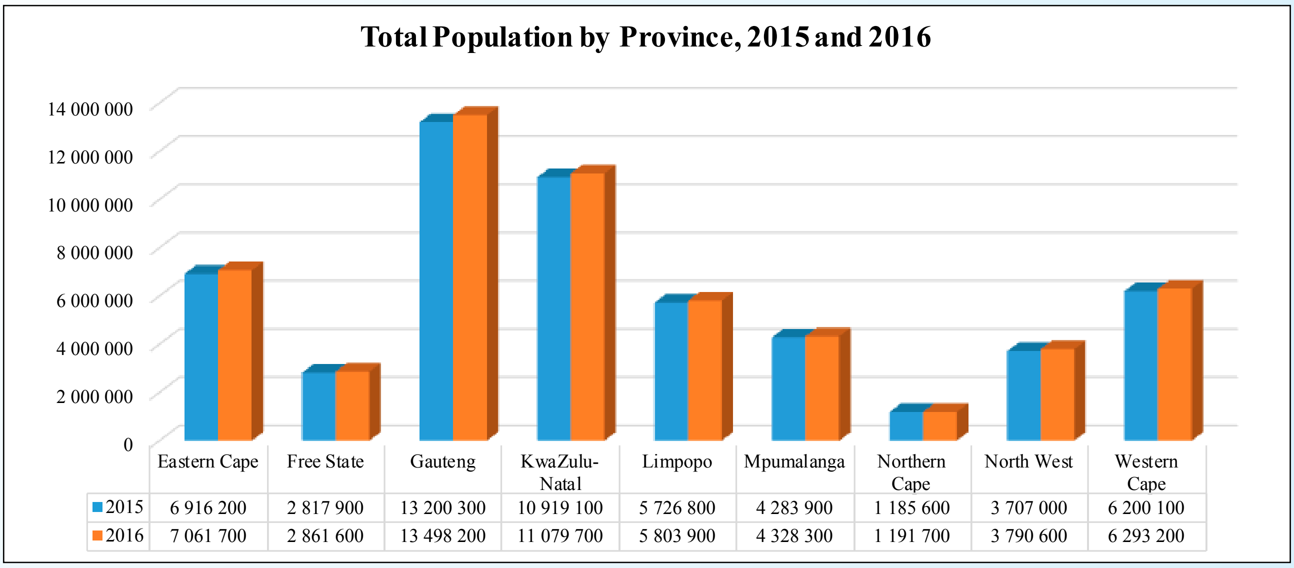
This chapter presents the demographic profile of the Northern Cape Province in comparison with other provinces. Demography is the scientific study of human populations, with special reference to their size, structure, and distribution. The demographic analysis is important in that it can assist the government with planning for service delivery. The chapter will provide an analysis of indicators such as total population, fertility, mortality, migration, population density, life expectancy and urbanisation.

1.2 Population Profile

1.2.1 Population

Figure 1.1 below illustrates the total population by province for 2015 and 2016.

Figure 1.1: Total Population by Province, 2015 and 2016



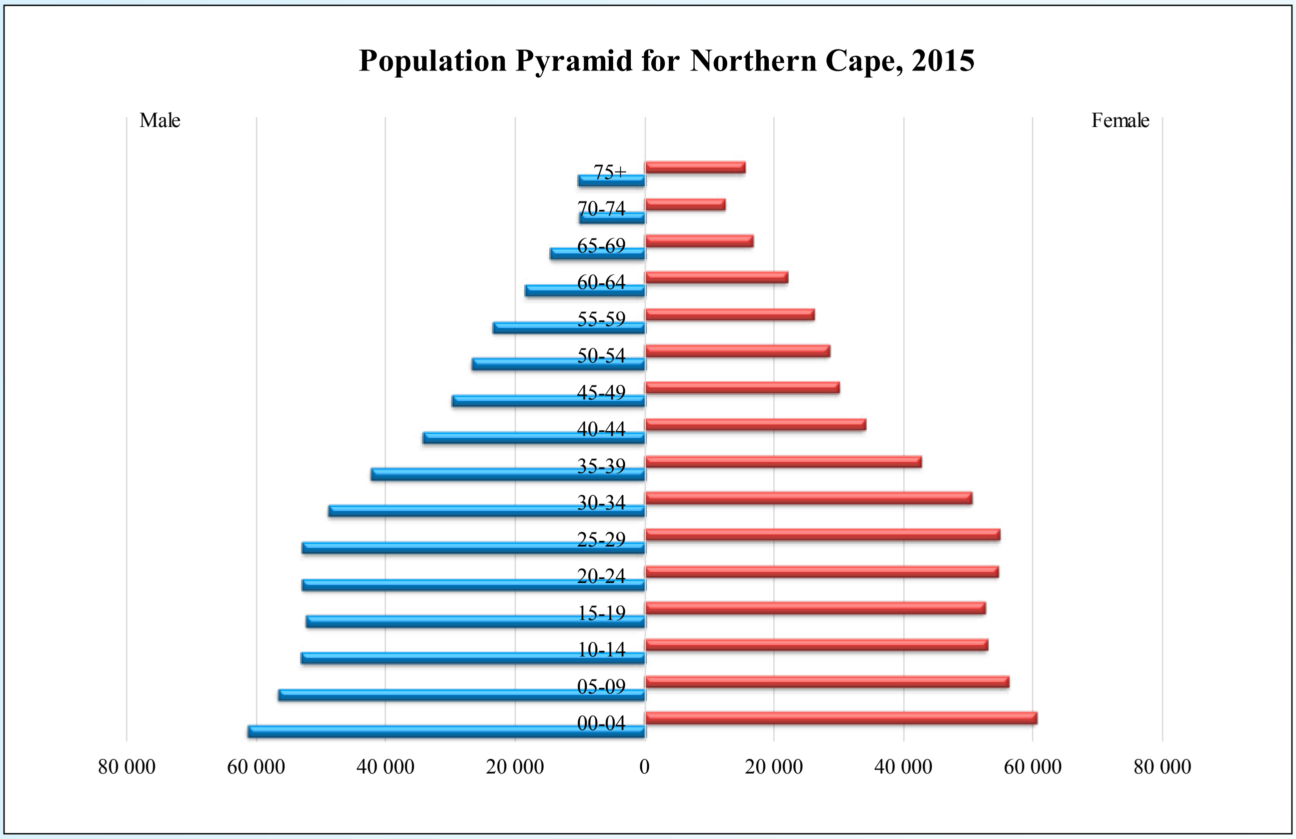
	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape
2015	6 916 200	2 817 900	13 200 300	10 919 100	5 726 800	4 283 900	1 185 600	3 707 000	6 200 100
2016	7 061 700	2 861 600	13 498 200	11 079 700	5 803 900	4 328 300	1 191 700	3 790 600	6 293 200

Source: Statistics South Africa, Mid-year population estimates, 2015 and 2016

The population size had increased in all provinces between mid-2015 and mid-2016. Gauteng remains the province with the largest proportion of the South African population, followed by KwaZulu-Natal and Eastern Cape. Northern Cape had the smallest population at 2.1 per cent of the total population of the country.

Global Insight defines a population pyramid as a visual representation of the population broken down by gender and age for the selected year and region. Figure 1.2 below provides the population pyramid for the Northern Cape for 2015.

Figure 1.2: Population Pyramid for Northern Cape, 2015



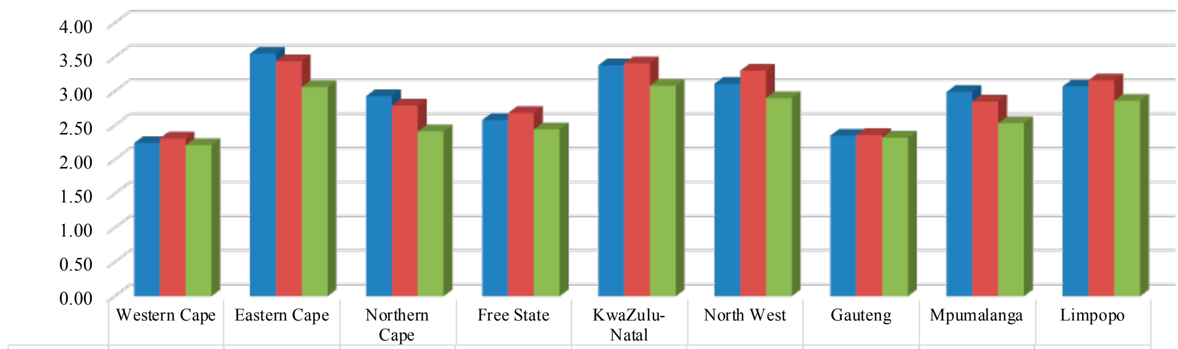
Source: Global Insight, 2017 [Version 1046 (2.5x)]

The Northern Cape population pyramid has a broad base, indicating a larger number of children in the province. Children aged 0 to 4 years represented the largest percentage of the province's total population, implying that it had a high fertility rate while the age cohort 70 to 74 had the smallest population size. With such a large portion of the population between the ages of 15 and 34, it is important to prioritise youth employment and skills development.

1.2.2 Fertility

The United Nations (UN) defines total fertility as the average number of children a hypothetical cohort of women would have at the end of their reproductive period if they were subject during their whole lives to the fertility rates of a given period and if they were not subject to mortality. It is expressed as children per woman. The provincial average total fertility rates for 2001 to 2006, 2006 to 2011 and 2011 to 2016 are provided in the graph below.

Figure 1.3: Average Total Fertility Rate by Province, 2001-2006, 2006-2011 and 2011-2016



	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo
2001-2006	2.24	3.55	2.93	2.58	3.38	3.11	2.35	2.99	3.07
2006-2011	2.31	3.44	2.79	2.68	3.41	3.30	2.36	2.85	3.16
2011-2016	2.21	3.06	2.41	2.44	3.08	2.90	2.32	2.53	2.86

Source: Statistics South Africa, Mid-Year Population Estimates, 2016

The average fertility rate declined in all provinces between the 2006 to 2011 and 2011 to 2016 periods. Eastern Cape and KwaZulu-Natal (which are mostly rural) remain the provinces with the highest fertility rates, whereas Western Cape and Gauteng had the lowest. The reduction in the fertility rates can be attributed to factors such as the level of education, employment status and increased use of contraceptives.

1.2.3 Mortality

Death (mortality) is one of the indicators determining the size of the population. Table 1.1 presents the number of households that reported the occurrence of death during the 12 months prior to the 2016 Community Survey.

Table 1.1: Number of Households Reporting Death Occurrence by Province, 2016

	Province									Total
	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	South Africa
Yes	33 212	66 596	12 140	28 307	87 778	40 201	84 299	34 827	41 624	428 984
No	1 900 665	1 706 798	341 570	918 332	2 788 065	1 208 565	4 866 838	1 204 034	1 559 460	16 494 327
Total	1 993 877	1 773 394	353 710	946 639	2 875 843	1 248 766	4 951 137	1 238 861	1 601 084	16 923 311

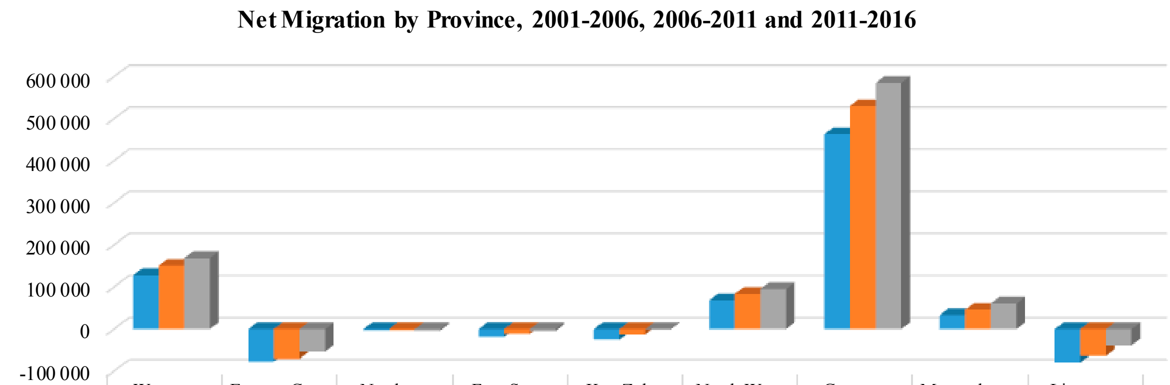
Source: Statistics South Africa, Community Survey, 2016

In the Northern Cape, 12 140 households reported the occurrence of death, representing 2.8 per cent of the national figure. This may look like a small number but it should be seen from the population size point of view. Households that did not report death, however, were much more than those which did. Statistics South Africa (Stats SA) ascribed this to the negativity of the question on the survey.

1.2.4 Migration

Migration is defined as the movement (temporary or permanent) of people from one area to another. Figure 1.4 below illustrates the net migration for the South African provinces for 2001 to 2006, 2006 to 2011 and 2011 to 2016.

Figure 1.4: Net Migration by Province, 2001-2006, 2006-2011 and 2011-2016



	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo
2001-2006	128 099	-77 439	-2 654	-18 108	-24 929	68 405	463 395	33 247	-79 338
2006-2011	150 847	-70 486	-2 359	-11 010	-12 068	83 925	530 401	46 442	-63 256
2011-2016	168 786	-52 930	-3 154	-4 319	-684	95 598	585 211	61 000	-38 279

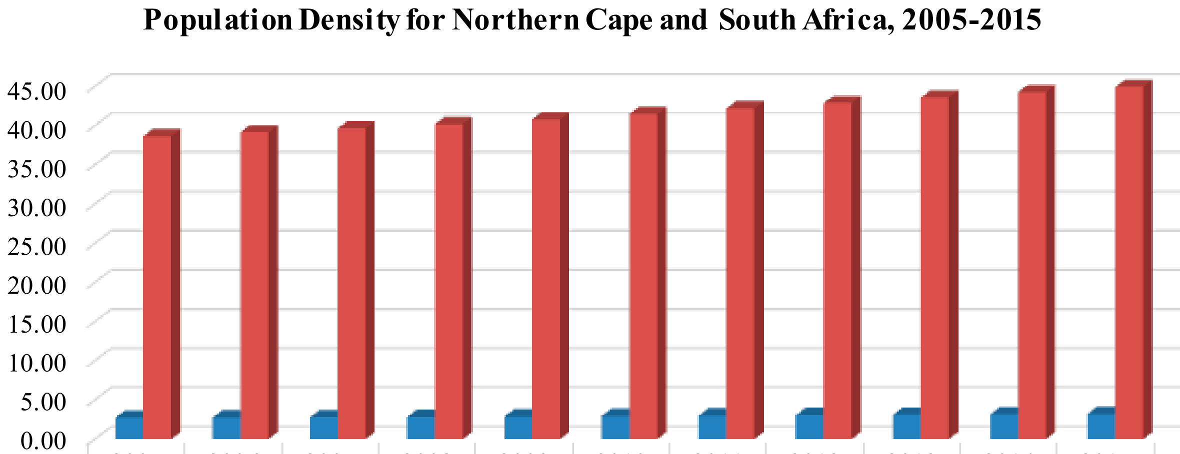
Source: Statistics South Africa, Mid-Year Population Estimates, 2016

Western Cape, North West, Gauteng and Mpumalanga were the only provinces with positive net migration for the identified periods. Gauteng had the largest net inward migration. Between 2011 and 2016, the other five provinces had more people moving out than in, hence negative net migration, or net outward migration. The Northern Cape was the province with the smallest negative net migration, except for KwaZulu-Natal between 2011 and 2016, indicating minimal migration taking place in the province. If the Northern Cape was to diversify its economy and attract more economic activity, it could attract more people to the province. This may also positively affect provincial equitable share allocation from national government.

1.2.5 Population Density

According to Global Insight, population density measures the concentration of people in a region by dividing the population of the region by the area size of that region. The output of this is the number of people per kilometre squared. The table below shows the population density for both the Northern Cape and South Africa from 2005 to 2015.

Figure 1.5: Population Density for Northern Cape and South Africa, 2005-2015



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
NC	2.75	2.77	2.80	2.84	2.89	2.95	3.00	3.06	3.11	3.16	3.21
SA	38.68	39.16	39.67	40.21	40.81	41.50	42.20	42.89	43.59	44.28	44.95

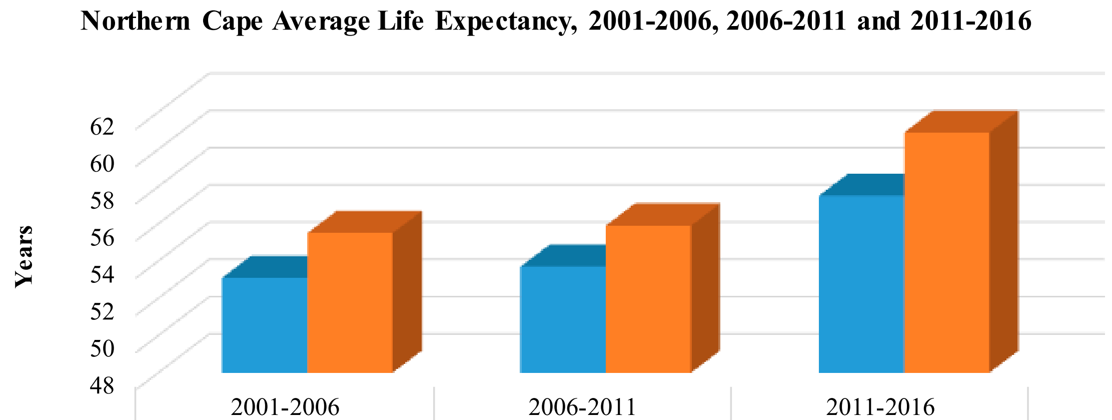
Source: Global Insight, 2017 [Version 1046 (2.5x)]

Although the population density of the Northern Cape is low, it has shown a slight increase of 0.46 people per kilometre squared from 2.75 in 2005 to 3.21 in 2015. This implies that the provincial population had grown relative to its area size between 2005 and 2015. The country had also experienced a rise in population density for this period. Despite the increase in population density, Northern Cape remains with a very small population in comparison to its land mass.

1.3 Life Expectancy

Life expectancy is defined by the World Health Organisation (WHO) as the average number of years that a new born is expected to live if current mortality rates continue to apply. Figure 1.6 illustrates the Northern Cape average life expectancy rate at birth for both males and females for 2001 to 2006, 2006 to 2011 and 2011 to 2016.

Figure 1.6: Northern Cape Average Life Expectancy, 2001-2006, 2006-2011 and 2011-2016



	2001-2006	2006-2011	2011-2016
Males	53.1	53.7	57.5
Females	55.5	55.9	60.9

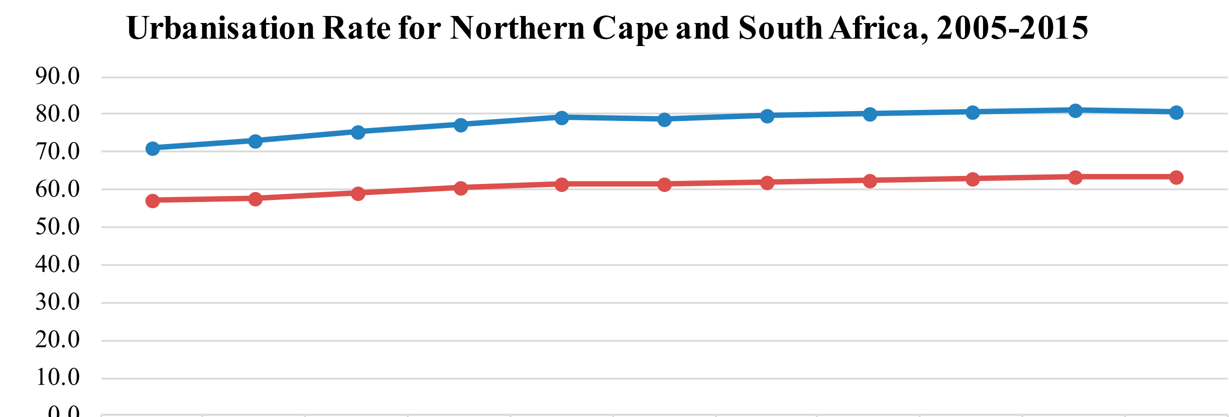
Source: Statistics South Africa, Mid-Year Population Estimates, 2016

Life expectancy has increased for Northern Cape citizens (males and females) between 2001 to 2006 and 2011 to 2016. Females have a higher life expectancy when compared to their male counterparts.

1.4 Urbanisation

Urbanisation refers to the movement of people from rural to urban areas or when rural areas become more urban. Figure 1.7 below depicts the urbanisation rate for the Northern Cape and South Africa from 2005 to 2015.

Figure 1.7: Urbanisation Rate for Northern Cape and South Africa, 2005-2015



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
NC	70.9	73.1	75.3	77.6	79.1	79.0	79.7	80.2	80.9	81.4	80.9
SA	57.1	57.9	59.3	60.6	61.5	61.4	61.8	62.4	63.2	63.7	63.4

Source: Global Insight, 2017 [Version 1046 (2.5x)]

The Northern Cape's urbanisation rate shows an upward trend and this is the same for South Africa. The provincial urbanisation rate has increased by 10 percentage points from 70.9 per cent in 2005 to 80.9 in 2015. The national urbanisation rate has also shown a rise of 6.3 percentage points to 63.4 per cent in 2015 from 57.1 per cent in 2005.

1.5 Conclusion

The Northern Cape's population was estimated at 1.2 million in mid-2016, which was the smallest of all the provinces and represented 2.1 per cent of the total South African population. Out of this population, males were more than females. The age cohort that had the largest share of the total population was children aged 0 to 4 years whereas those aged 70 to 74 had the smallest share. The province had a decline in fertility between the 2006 to 2011 and 2011 to 2016 periods and reported the smallest number of deaths in 2016. The province was more urbanised in 2015 compared to 2005.

2 Economy

2.1 Introduction

Global and national economic factors have an impact on the provincial economy, and thus this chapter contains an analysis of the global economic outlook together with national and provincial economic profiles.

2.2 Global Economic Outlook

Table 2.1 below provides an overview of the world economic estimates and projections from 2015 to 2018.

Table 2.1: Overview of World Economic Outlook Projections, 2015-2018

Region/Country	2015	2016	2017	2018
	Estimates		Projections	
World Output	**3.2**	**3.1**	**3.4**	**3.6**
Advanced Economies	**2.1**	**1.6**	**1.9**	**2.0**
United States	2.6	1.6	2.3	2.5
Euro Area	2.0	1.7	1.6	1.6
Japan	1.2	0.9	0.8	0.5
United Kingdom	2.2	2.0	1.5	1.4
Emerging Market and Developing Economies	**4.1**	**4.1**	**4.5**	**4.8**
Commonwealth of Independent States	-2.8	-0.1	1.5	1.8
Russia	-3.7	-0.6	1.1	1.2
Emerging and Developing Asia	6.7	6.3	6.4	6.3
China	6.9	6.7	6.5	6.0
India	7.6	6.6	7.2	7.7
Emerging and Developing Europe	3.7	2.9	3.1	3.2
Latin America and the Caribbean	0.1	-0.7	1.2	2.1
Brazil	-3.8	-3.5	0.2	1.5
Sub-Saharan Africa	3.4	1.6	2.8	3.7
Nigeria	2.7	-1.5	0.8	2.3
South Africa	1.3	0.3	0.8	1.6

Per cent change

Source: IMF World Economic Outlook Update, January 2017

According to the International Monetary Fund (IMF), economic activity is expected to pick up especially in emerging market and developing economies in 2017 and 2018 after slow economic performance in 2016. It is expected to pick up from 4.1 per cent in 2016 to a projected 4.5 and 4.8 per cent in 2017 and 2018 respectively, with strong growth expected in China and India. It is projected that Sub-Saharan Africa will grow at 2.8 per cent in 2017 and 3.7 per cent in 2018.

Global economic growth is expected to improve slightly to 3.4 and 3.6 per cent in 2017 and 2018 respectively. The aggregated global level of growth conceals the heterogeneous patterns of development affecting the world's regions and sub-regions: while the developed economies recovered in the last quarters of 2016 mainly owing to a spur in their manufacturing sector, many emerging markets suffered losses caused by a variety of region-specific factors. In 2017, it is projected that advanced economies will grow by 1.9 per cent and by 2.0 per cent in 2018.

2.3 National Economy

Table 2.2 below shows the macro-economic review for South Africa from quarter 1 of 2015 to quarter 3 of 2016.

Table2.2: Macro-Economic Review for South Africa, 2015 and 2016

Components	2015				2016		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3
Final Household Consumption Expenditure	2.0	0.3	2.4	2.1	-1.7	1.4	2.6
Final Government Consumption Expenditure	-1.7	1.6	0.8	2.6	1.2	1.4	2.1
Gross Fixed Capital Formation	2.6	-0.9	4.6	-2.8	-10.0	-6.8	-1.0
Gross Domestic Expenditure	9.2	-8.5	1.7	1.9	-2.1	-4.2	8.1

Percentage change at seasonally adjusted annualised rates

Source: SARB Quartely Bulletin December 2016

Final household consumption contracted at -1.7 per cent in the first quarter of 2016 and was at its highest at 2.6 per cent in the third quarter. Final government consumption peaked in the fourth quarter of 2015 at 2.6 per cent. It showed gradually increasing growth from quarter 1 to quarter 3 of 2016. Gross domestic expenditure was suppressed in the first two quarters of 2016, thereafter showing significant growth in the third quarter. Gross fixed capital formation contracted in all three quarters of 2016.

2.3.1 National Sector Growth Trends

The growth in the national gross domestic product (GDP) per sector for 2015 and 2016 is shown in Table 2.3 below. Stats SA defines GDP as the total value of all goods and services that are produced within the borders of a country during a specific period of time, usually a year or a quarter.

Table 2.3: Growth in National GDP per Sector, 2015 and 2016

Sector	2015				2016			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Agriculture, forestry and fishing	-11.1	-20.1	-11.6	-6.5	-8.7	-7.8	-0.2	-0.1
Mining and quarrying	13.1	-6.1	-8.9	3.0	-21.8	14.6	4.2	-11.5
Manufacturing	-2.0	-6.2	4.9	-2.3	0.6	7.6	-3.3	-3.1
Electricity, gas and water	3.0	-7.5	-7.6	0.5	-5.4	-3.2	-2.5	2.4
Construction	2.1	1.2	0.9	1.1	0.8	0.1	0.7	0.4
Wholesale, retail and motor trade; catering and accommodation	3.2	-0.8	1.2	2.6	1.9	1.6	-2.0	2.1
Transport, storage and communication	0.2	0.0	-0.1	-1.6	-0.3	2.2	1.7	2.6
Finance, real estate and business services	3.0	2.4	2.6	1.8	1.7	2.4	1.3	1.6
Personal services	0.9	0.9	1.2	0.4	1.3	1.8	1.4	1.0
General government services	-0.3	1.0	1.4	1.3	1.4	1.3	2.0	0.9
Total value added at basic prices	**1.7**	**-1.5**	**0.4**	**0.7**	**-1.3**	**3.2**	**0.4**	**-0.2**
Taxes less subsidies on products	4.0	-5.0	0.3	-0.9	-3.3	2.8	1.0	-0.9
GDP at market prices	**1.9**	**-1.8**	**0.4**	**0.5**	**-1.5**	**3.1**	**0.4**	**-0.3**

Annualised percentage change in seasonally adjusted quarterly GDP by industry at constant 2010 prices

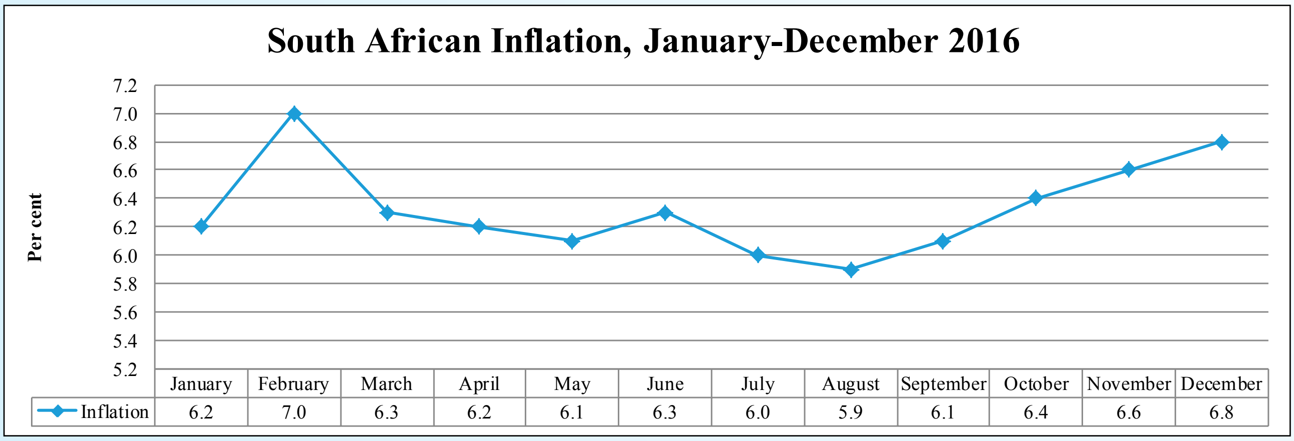
Source: Stats SA P0441 4th Quarter, 2016

In quarter 4 of 2016, negative growth was recorded in agriculture, forestry and fishing, mining and quarrying and manufacturing industries, with the most significant contraction experienced by mining and quarrying at -11.5 per cent. The national economy also experienced negative growth at -0.3 per cent. In the quarters above, national GDP growth only exceeded 3 per cent once. Agriculture, forestry and fishing contracted in each quarter, while construction, finance, real estate and business and personal services recorded positive growth in each quarter.

2.3.2 Inflation

Figure 2.1 below illustrates the inflation rate of South Africa from January to December 2016.

Figure 2.1: South African Inflation, January-December 2016



Percentage change year-on-year

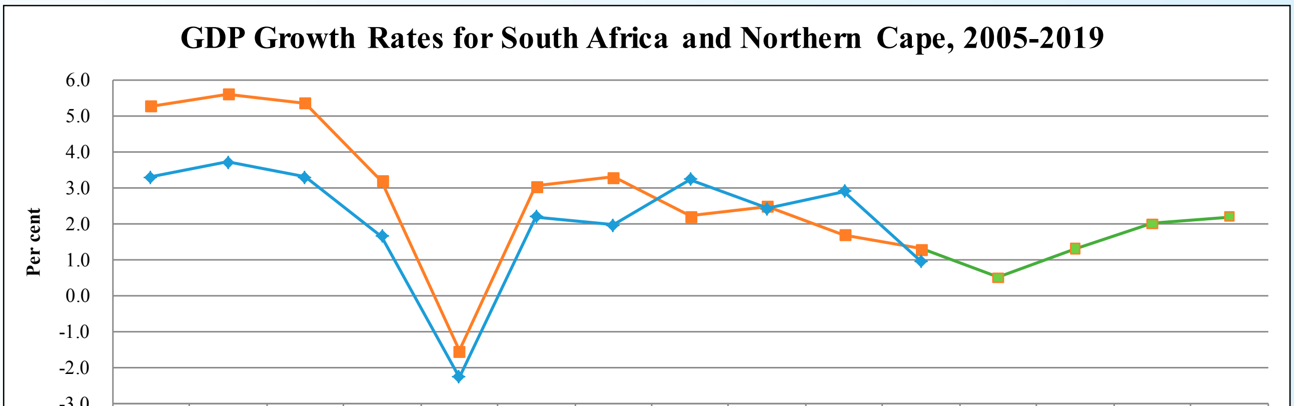
Source: Statistics South Africa, P0141 January 2017

South Africa's level of inflation has consistently failed to remain within the South African Reserve Bank (SARB) target range of 3 to 6 per cent throughout 2016, except for July and August's inflation that stayed within range. Inflation for the year peaked in February at 7.0 per cent, while the lowest inflation was recorded in August at 5.9 per cent. Consistently high inflation levels are a concern as the Monetary Policy Committee may have to increase interest rates to bring down inflation. This will have an impact on all households with debt with variable interest rates.

2.4 Provincial Economy

Figure 2.2 below illustrates the GDP growth rates for South Africa and the Northern Cape from 2005 to 2019.

Figure 2.2: GDP Growth Rates for South Africa and Northern Cape, 2005-2019



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
SA	5.3	5.6	5.4	3.2	-1.5	3.0	3.3	2.2	2.5	1.7	1.3	0.5	1.3	2.0	2.2
NC	3.3	3.7	3.3	1.7	-2.3	2.2	2.0	3.2	2.4	2.9	0.9				

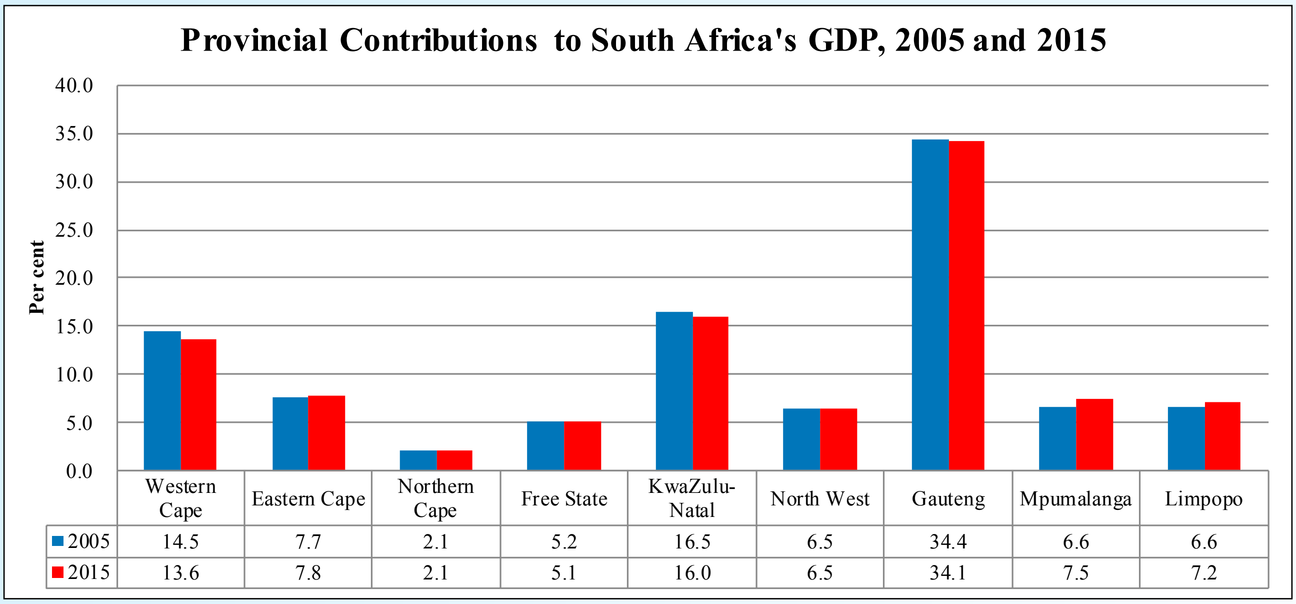
Constant 2010 prices

Source: Stats SA P0441 4th Quarter, 2016 (2005-2015), National Treasury estimation and projections (SA 2016-2019)

Between 2005 and 2010, the provincial and national economies followed the same trend. The only negative growth rates for both the province and South Africa were recorded in 2009 following the financial crisis of 2008/09. The Northern Cape economy only experienced higher growth than the country in 2012 and 2014. In 2015, the national economy grew by 1.3 per cent and the provincial economy grew by 0.9 per cent. According to the estimations of the National Treasury, the South African economy grew by 0.5 per cent in 2016, but is forecasted to grow slightly faster at 1.3, 2.0 and 2.2 per cent in 2017, 2018 and 2019 respectively.

Figure 2.3 below illustrates the provincial contributions to South Africa's GDP for 2005 and 2015.

Figure 2.3: Provincial Contributions to South Africa's GDP, 2005 and 2015



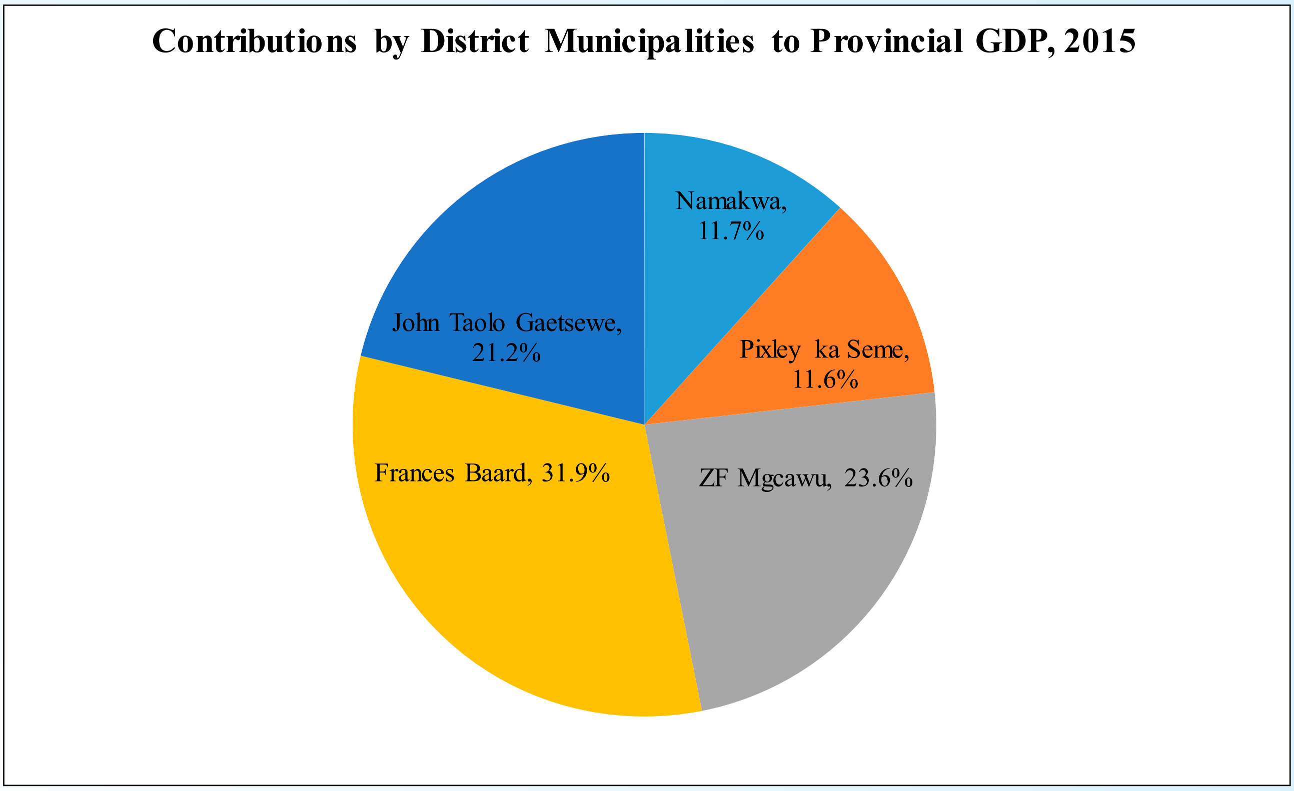
Current prices

Source: Stats SA P0441 4th Quarter, 2016

The Northern Cape contributed 2.1 per cent to the national GDP in both 2005 and 2015. The Gauteng, KwaZulu-Natal and Western Cape Provinces together contributed 63.7 per cent to the national economy in 2015. Gauteng remained the largest contributor to the economy at 34.1 per cent in 2015.

Figure 2.4 below illustrates the contributions that the districts made to the provincial GDP in 2015.

Figure 2.4: Contributions by District Municipalities to Provincial GDP, 2015



Constant 2010 prices

Source: Global Insight, 2017 [Version 1046 (2.5x)]

The Frances Baard District Municipality had the largest economy in the province, contributing 31.9 per cent to the total provincial GDP. The second largest contributor was ZF Mgcawu at 23.6 per cent. The Pixley ka Seme and Namakwa District Municipalities contributed the least at 11.6 and 11.7 per cent respectively.

2.4.1 Sector Contributions

Table 2.4 below contains the Northern Cape sector growth rates as well as the contributions that these sectors made to the provincial economy for 2005 and 2015.

Table 2.4: Northern Cape Sector Growth and Contributions, 2005 and 2015

Sector	Growth rate (%)		Contribution (%)	
	2005	2015	2005	2015
Primary sector	**-3.5**	**0.0**	**29.2**	**24.9**
Agriculture, forestry and fishing	26.3	0.7	7.0	6.8
Mining and quarrying	-9.6	-0.2	22.2	18.1
Secondary sector	**13.3**	**0.7**	**6.8**	**9.7**
Manufacturing	15.7	0.1	3.7	3.1
Electricity, gas and water	11.7	-0.2	1.7	4.0
Construction	12.3	2.5	1.4	2.6
Tertiary sector	**7.3**	**1.7**	**53.6**	**55.1**
Trade, catering and accommodation	7.5	0.4	10.8	11.2
Transport, storage and communication	7.4	1.1	10.8	11.6
Finance, real estate and business services	9.9	3.7	11.9	12.6
Personal services	4.1	1.6	8.3	4.8
General government services	5.9	1.5	11.8	14.9
All industries at basic prices	**3.3**	**1.0**	**89.6**	**89.8**
Taxes less subsidies on products	3.6	0.5	10.4	10.2
GDPR at market prices	**3.3**	**0.9**	**100.0**	**100.0**

Growth rate at constant 2010 prices, contribution at current prices

Source: Stats SA P0441 4th Quarter, 2016

The contribution made by the mining and quarrying industry decreased over the ten year period, but still remained the largest industry in the province, contributing 18.1 per cent to the total provincial output. General government services was the second largest industry, contributing 14.9 per cent. The secondary sector remained the smallest sector in the province. Mineral beneficiation and agro-processing can contribute in making this sector larger in the province. In 2015, only mining and quarrying and electricity, gas and water recorded contractions. The industry that recorded the highest growth rate was finance, real estate and business services at 3.7 per cent.

2.5 Conclusion

Economic activity is expected to pick up especially in emerging market and developing economies in 2017 and 2018 after slow economic performance in 2016. Global economic growth is expected to improve slightly to 3.4 and 3.6 per cent in 2017 and 2018 respectively. From quarter 1 of 2015 to quarter 4 of 2016, agriculture, forestry and fishing contracted in each quarter, while construction, finance, real estate and business and personal services recorded positive growth in each quarter. South Africa's level of inflation has consistently failed to remain within the SARB target range of 3 to 6 per cent throughout 2016. In 2015, the national economy grew by 1.3 per cent and the provincial economy grew by 0.9 per cent. The Gauteng, KwaZulu-Natal and Western Cape Provinces together contributed more than 60 per cent to the national economy. The Frances Baard District Municipality had the largest economy in the province, followed by ZF Mgcawu. Although the contribution made by the mining and quarrying industry to the provincial economy decreased over the ten year period, it still remained the largest industry in the province, followed by general government services.

3 Labour

3.1 Introduction

The South African Government is continuously making efforts to reduce unemployment, however it still remains high. Employment creation can be used as a tool to decrease poverty, improve living standards and decrease pressure on the fiscus through a decreased demand for social grants and other government subsidised services. It can also potentially increase government revenue through tax collection and narrow the gap between the rich and the poor. This chapter uses data of the labour market activities of individuals aged between 15 and 64 years sourced from Stats SA and Global Insight and will provide both national and provincial labour characteristics.

3.2 National Labour Characteristics

The labour market status of South Africa for quarter 4 of 2015, quarter 3 of 2016 and quarter 4 of 2016 is shown in Table 3.1 below. The strict definition of unemployment is used as provided by Stats SA, considering all people between the ages of 15 and 64, who were not employed in the reference week but are actively looking for work or who tried to start a business in the four weeks preceding the survey interview, and were available for work or had not actively looked for work in the past four weeks but had a job or business to start at a definite date in the future and were available.

Table 3.1: Labour Market Status for South Africa, 2015 Q4, 2016 Q3 and 2016 Q4

Labour Market	2015 Q4	2016 Q3	2016 Q4	Qtr-to-qtr change	Year-on year change
	('000)	('000)	('000)	('000)	('000)
Population aged 15-64 years	36 272	36 750	36 905	155	633
Labour force	21 211	21 706	21 849	143	638
Employed	16 018	15 833	16 069	235	51
Unemployed	5 193	5 873	5 781	-92	588
Not economically active	15 061	15 044	15 055	12	-6
Discouraged work seekers	2 279	2 291	2 292	1	14
Other	12 782	12 753	12 763	10	-19
Rates	**(%)**	**(%)**	**(%)**	**(Percentage point)**	**(Percentage point)**
Unemployment rate	24.5	27.1	26.5	-0.6	2.0
Absorption rate	44.2	43.1	43.5	0.4	-0.7
Labour force participation rate	58.5	59.1	59.2	0.1	0.7

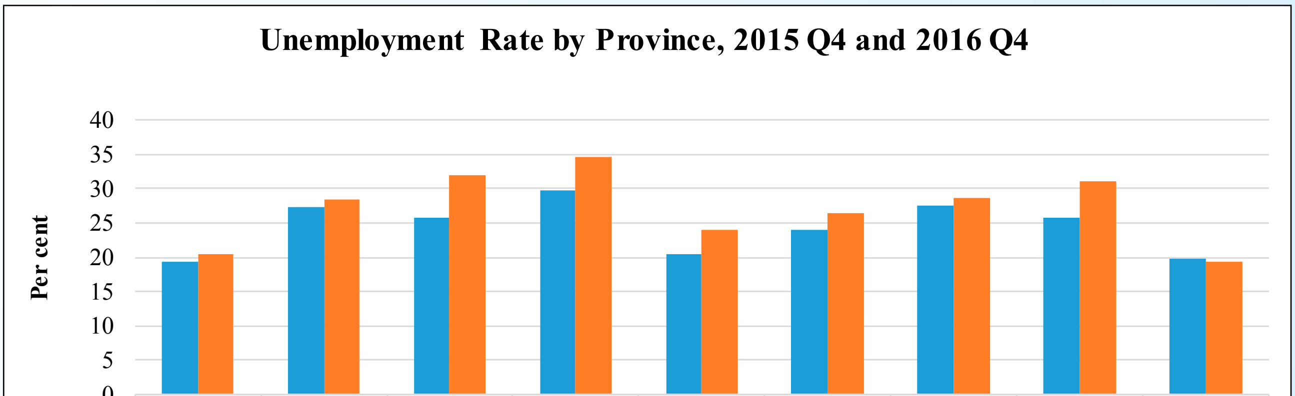
Source: StatsSA P0211 4th Quarter, 2016

On a quarterly basis, between quarter 3 of 2016 and quarter 4 of 2016, there was a decrease of 92 000 in the number of people who were unemployed, with the number of employed people increasing by 235 000. The number of discouraged work seekers increased by 1 000. A discouraged work seeker is defined as a person who was not employed during the reference period, wanted to work, was available to work or start a business but did not take active steps to find work during the last four weeks, provided that the main reason that the person did not look for work was that there were no jobs available in the area, the person was unable to find work requiring his or her skills or the person lost hope of finding any kind of work.

Between quarter 4 of 2015 and quarter 4 of 2016, the number of employed people in South Africa increased by 51 000, while the number of unemployed people increased by 588 000. The labour force, which is the sum of the unemployed and the employed, increased by 638 000, while the not economically active decreased by 6 000. The working age population increased from 36.272 million in quarter 4 of 2015 to 36.905 million in the fourth quarter of 2016. The labour force participation rate, defined as the proportion of the working-age population that is either employed or unemployed, increased from 58.5 to 59.2 per cent. The absorption rate, measuring the proportion of the working-age population that is employed, decreased on an annual basis by 0.7 percentage points.

Figure 3.1 below shows the unemployment rate by province for quarter 4 of 2015 and quarter 4 of 2016.

Figure 3.1: Unemployment Rate by Province, 2015 Q4 and 2016 Q4



	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo
2015 Q4	19.4	27.4	25.8	29.8	20.5	23.9	27.6	25.7	19.8
2016 Q4	20.5	28.4	32.0	34.7	23.9	26.5	28.6	31.0	19.3

Source: StatsSA P0211 4th Quarter, 2016

The Limpopo and Western Cape Provinces had the lowest unemployment rates in both quarter 4 of 2015 and 2016. The Free State had the highest unemployment rate in quarter 4 of 2015 at 29.8 per cent and in quarter 4 for 2016 at 34.7 per cent. Limpopo is the only province that managed to decrease its unemployment rate. The Northern Cape was the province with the highest increase in its unemployment rate at 6.2 percentage points from quarter 4 of 2015 to quarter 4 of 2016.

The employment by industry for South Africa for quarter 4 of 2015, quarter 3 of 2016 and quarter 4 of 2016 is shown in Table 3.2 below.

Table 3.2: Employment by Industry for South Africa, 2015 Q4, 2016 Q3 and 2016 Q4

Industry	Total ('000)		
	2015 Q4	2016 Q3	2016 Q4
Agriculture	860	881	919
Mining	483	438	421
Manufacturing	1 738	1 683	1 727
Utilities	123	118	131
Construction	1 438	1 491	1 483
Trade	3 280	3 198	3 222
Transport	900	915	961
Finance	2 273	2 323	2 329
Community and social services	3 624	3 499	3 571
Private households	1 294	1 281	1 299

Source: StatsSA P0211 4th Quarter, 2016

Mining and construction are the only industries that experienced a decrease in employment from the third quarter to the fourth quarter of 2016. Community and social services employed the largest number of people in all three quarters, followed by trade. These two industries each employed over 3 million people in each quarter. The tertiary sector was by far the dominating industry for employment. The utilities industry had the smallest number of workers at below 200 000 workers per quarter. In spite of the drought that was experienced in 2016, the agriculture industry registered an increase in workers of 38 000 between quarter 3 and 4 of 2016 and an increase of 59 000 between quarter 4 of 2015 and quarter 4 of 2016.

Table 3.3 below shows the discouraged work seekers, absorption rate and labour force participation rate per province for quarter 4 of 2016.

Table 3.3: Discouraged Work Seekers, Absorption Rate and Labour Force Participation Rate per Province, 2016 Q4

Province	Discouraged Work Seekers ('000)	Absorption Rate (%)	Labour Force Participation Rate (%)
Western Cape	45	54.1	68.0
Eastern Cape	403	34.7	48.5
Northern Cape	56	38.2	56.2
Free State	82	40.2	61.5
KwaZulu-Natal	708	37.1	48.8
North West	231	38.5	52.4
Gauteng	242	51.9	72.7
Mpumalanga	227	40.9	59.2
Limpopo	298	38.7	48.0
South Africa	**2 292**	**43.5**	**59.2**

Source: StatsSA P0211 4th Quarter, 2016

In the fourth quarter of 2016, the Western Cape and Northern Cape Provinces had the smallest number of discouraged work seekers at 45 000 and 56 000 respectively, while KwaZulu-Natal had the largest number at 708 000. The Western Cape recorded the highest absorption rate at 54.1 per cent, indicating that 54.1 per cent of the working age population in the province was employed. Gauteng had the highest labour force participation rate at 72.7 per cent, showing that 72.7 per cent of the working age population was economically active. The total number of discouraged work seekers in South Africa was over 2 million.

3.3 Provincial Labour Characteristics

3.3.1 Labour Status

The labour market status for the Northern Cape for quarter 4 of 2015, and quarters 3 and 4 of 2016 is shown in Table 3.4 below.

Table 3.4: Labour Market Status for Northern Cape, 2015 Q4, 2016 Q3 and 2016 Q4

Labour Market	2015 Q4	2016 Q3	2016 Q4	Qtr-to-qtr change	Year-on-year change
	('000)	('000)	('000)	('000)	('000)
Population aged 15-64 years	771	778	780	2	9
Labour force	420	437	438	1	18
Employed	312	308	298	-10	-14
Unemployed	108	129	140	11	32
Not economically active	351	341	342	1	-9
Discouraged work seekers	59	55	56	1	-3
Other	292	286	286	0	-6
Rates	**(%)**	**(%)**	**(%)**	**(Percentage point)**	**(Percentage point)**
Unemployment rate	25.8	29.6	32.0	2.4	6.2
Absorption rate	40.4	39.6	38.2	-1.4	-2.2
Labour force participation rate	54.5	56.2	56.2	0.0	1.7

Source: StatsSA P0211 4th Quarter, 2016

In the fourth quarter of 2016, the working age population (the population aged between 15 and 64 years) was 2 000 more than it was in the third quarter, while the number of employed people decreased by 10 000 and the number of unemployed people increased by 11 000. On an annual basis, the number of people employed decreased by 14 000, while the number of unemployed people increased by 32 000. The absorption rate decreased from 40.4 per cent in quarter 4 of 2015 to 38.2 per cent in quarter 4 of 2016.

3.3.2 Employment

Table 3.5 below shows the employment by industry for the Northern Cape for quarter 4 of 2015 and quarters 3 and 4 of 2016.

Table 3.5: Employment by Industry for Northern Cape, 2015 Q4, 2016 Q3 and 2016 Q 4

Industry	2015 Q4		2016 Q3		2016 Q4	
	Number ('000)	% Share	Number ('000)	% Share	Number ('000)	% Share
Primary Sector	**66**	**21.1**	**69**	**22.5**	**77**	**25.7**
Agriculture	43	14.0	56	18.0	53	17.7
Mining	22	7.1	14	4.4	24	8.1
Secondary Sector	**49**	**15.8**	**46**	**15.1**	**38**	**12.8**
Manufacturing	13	4.2	15	4.9	15	5.0
Utilities	3	1.0	1	0.3	1	0.3
Construction	33	10.5	31	9.9	22	7.5
Tertiary Sector	**197**	**63.1**	**192**	**62.5**	**183**	**61.5**
Trade	46	14.7	46	14.9	44	14.9
Transport	10	3.2	15	4.7	15	5.0
Finance	19	6.3	18	5.7	16	5.5
Community and social services	96	30.7	89	28.8	85	28.4
Private household	26	8.4	26	8.3	23	7.6
Total	**312**	**100.0**	**308**	**100.0**	**298**	**100.0**

Source: StatsSA P0211 4th Quarter, 2016

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

The secondary sector employed the smallest number of workers in all of the quarters under review. Diversification of the provincial economy and beneficiation of primary sector products could create higher growth and thus more jobs in the industries lagging behind. The community and social services industry recorded the largest share of employment at over 28 per cent in all of the quarters under review. Agriculture was the second largest employer in the province in quarter 4 of 2016. On a quarterly basis, jobs were lost in the agriculture, construction, trade, finance, community and social services and private households industries, while mining recorded an increase in employment.

3.3.2.1 Informal Employment

Stats SA defines informal employment as persons who are in precarious employment situations irrespective of whether or not the entity for which they work is in the formal or informal sector. Table 3.6 below shows the informal employment by industry for the Northern Cape for 2005 and 2015.

Table 3.6: Informal Employment by Industry for Northern Cape, 2005 and 2015

Industry	2005		2015		Annual % change
	Number	% Share	Number	% Share	
Manufacturing	1 684	8.8	2 536	7.2	4.2
Construction	2 222	11.6	6 690	19.0	11.6
Trade	9 110	47.5	12 710	36.2	3.4
Transport	1 419	7.4	1 872	5.3	2.8
Finance	1 136	5.9	2 569	7.3	8.5
Community services	3 614	18.8	8 749	24.9	9.2
Total	**19 186**	**100.0**	**35 126**	**100.0**	**6.2**

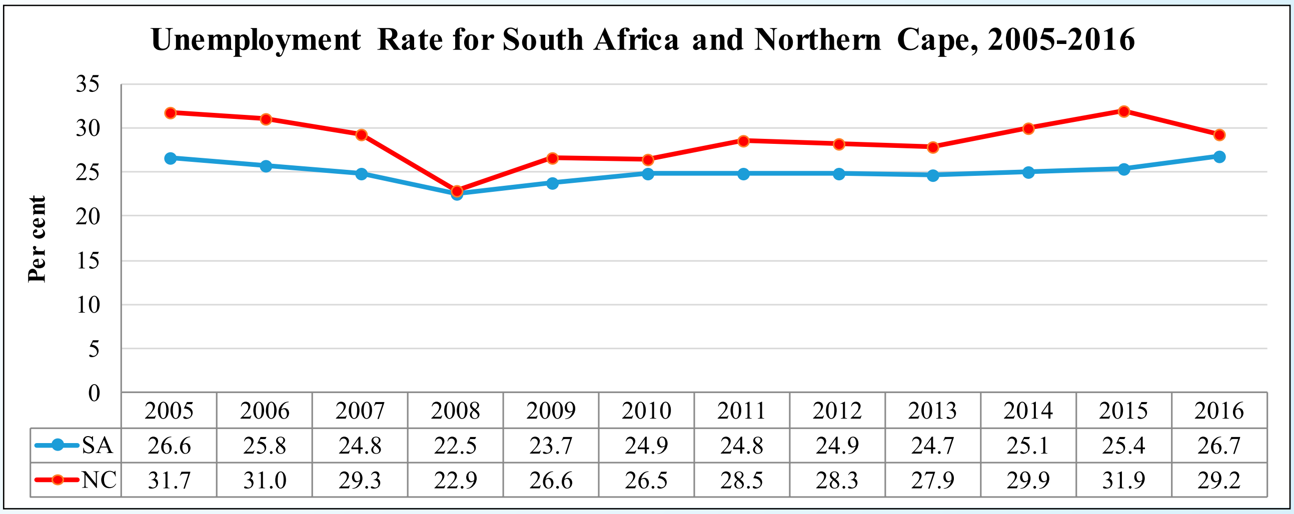
Source: Global Insight, 2017 [Version 1046 (2.5x)]

In 2005, the finance industry employed the smallest percentage of informally employed people at 5.9 per cent, while transport employed the smallest share in 2015 at 5.3 per cent. The trade industry recorded the largest share in both 2005 and 2015 at 47.5 and 36.2 per cent respectively. In terms of growth in employment, the construction industry experienced the largest average annual growth at 11.6 per cent and transport registered the smallest growth at 2.8 per cent. The average annual growth of total informal employment was 6.2 per cent.

3.3.3 Unemployment

Figure 3.2 below shows the unemployment rate for South Africa and the Northern Cape from 2005 to 2016.

Figure 3.2: Unemployment Rate for South Africa and Northern Cape, 2005-2016



Source: Global Insight, 2017 [Version 1046 (2.5x) (2005-2007)], StatsSA P0211 4th Quarter, 2016 (2008-2016, four quarters averaged)

The unemployment rate for the Northern Cape was higher than that of the country for the entire review period. The Northern Cape recorded its highest unemployment rate at 31.9 per cent in 2015 while for South Africa it was at 26.7 per cent in 2016.

The unemployment rate by race and gender for the Northern Cape for 2005 and 2015 is shown in Table 3.7 below.

Table 3.7: Unemployment Rate by Race and Gender for Northern Cape, 2005 and 2015

Race	2005			2015		
	Male	Female	Total	Male	Female	Total
African	31.0%	43.5%	36.3%	27.8%	35.7%	31.2%
White	4.5%	8.2%	6.0%	5.9%	9.5%	7.3%
Coloured	30.0%	40.6%	34.7%	31.4%	37.1%	33.9%
Asian	18.0%	25.6%	20.4%	26.2%	39.3%	29.5%
Total	**27.0%**	**37.9%**	**31.7%**	**27.3%**	**34.2%**	**30.2%**

Source: Global Insight, 2017 [Version 1046 (2.5x)]

Africans had the highest unemployment rate in 2005 at 36.3 per cent while Coloureds had the highest in 2015 at 33.9 per cent. Both Africans and Coloureds experienced a decrease in their respective unemployment rates between 2005 and 2015, while the unemployment rates of Asians and Whites increased. In terms of gender, females recorded higher unemployment rates among all race groups compared to males for both 2005 and 2015, with African females recording the highest rate in 2005 and Asian females recording the highest rate in 2015.

3.3.4 Remuneration

Table 3.8 below shows the remuneration by industry for the Northern Cape for 2005 and 2015.

Table 3.8: Remuneration by Industry for Northern Cape, 2005 and 2015

Industry	2005		2015		Annual % change
	Amount (R'000)	% Share	Amount (R'000)	% Share	
Agriculture	824 537	6.1	1 870 957	5.1	8.5
Mining	2 306 568	17.0	7 469 997	20.5	12.5
Manufacturing	384 883	2.8	1 371 247	3.8	13.5
Electricity	232 020	1.7	949 591	2.6	15.1
Construction	191 702	1.4	872 265	2.4	16.4
Trade	1 666 451	12.3	4 093 715	11.2	9.4
Transport	1 125 064	8.3	2 748 088	7.5	9.3
Finance	1 414 052	10.4	3 154 328	8.7	8.4
Community services	5 456 074	40.1	13 886 160	38.1	9.8
Total Industries	**13 601 353**	**100.0**	**36 416 347**	**100.0**	**10.3**

Current prices

Source: Global Insight, 2017 [Version 1046 (2.5x)]

In both 2005 and 2015, the construction industry contributed the smallest share towards the total remuneration at 1.4 and 2.4 per cent respectively. Community services contributed the largest share at 40.1 per cent in 2005 and 38.1 per cent in 2015. The annual average growth in total remuneration was at 10.3 per cent between 2005 and 2015, but one should note that the remuneration is measured in current prices, and the effect of inflation has thus not been removed.

3.4 Conclusion

Unemployment in South Africa increased with the Northern Cape province having the largest increase in unemployment rate from quarter 4 of 2015 to quarter 4 of 2016. Despite the drought that was experienced in 2016, at a national level the agriculture industry registered an increase in employment between quarters 3 and 4 of 2016. At a provincial level, the secondary sector had the smallest number of workers for quarter 4 of 2015 and quarters 3 and 4 of 2016. The community and social services industry recorded the largest share of employment in all three quarters under review. In terms of race, Africans recorded the highest unemployment rate in 2005 while Coloureds recorded the highest in 2015. Females recorded higher unemployment levels than males.

4 Human Development

4.1 Introduction

This chapter provides an analysis of the characteristics of human development in the Northern Cape. It gives an analysis of poverty indicators per province, levels of development, income distribution, service delivery, basic services as well as social assistance.

4.2 Poverty

According to the South African Constitution, Act 108 of 1996, everyone has the right to have access to sufficient food and water and social security, including, if they are unable to support themselves and their dependents, appropriate social assistance. The acceptable minimum standard of living is known as the poverty line. The minimum standard of living is determined by Stats SA based on inflation and time value of money, therefore it changes every year. For the purpose of this analysis, the definition from Global Insight (2017) is used to define poverty. The number of people in poverty is thus defined as the number of people living in a household that have an income less than the poverty income, where poverty is defined as the minimum monthly income that is needed to sustain a household and varies according to the size of that household. The poverty gap is used as an indicator to measure the depth of poverty, measuring the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line. The analysis will cover both the poverty rate (percentage of people in poverty) and the poverty gap rate.

Analysing poverty will assist in identifying areas where resources should be directed to ensure effective and efficient resource allocation to alleviate poverty. Table 4.1 below presents the poverty indicators by province for 2005 and 2015.

Table 4.1: Poverty Indicators by Province, 2005 and 2015

Provinces	2005				2015			
	Total Population	No. of People in Poverty	% of People in Poverty	Poverty Gap Rate	Total Population	No. of People in Poverty	% of People in Poverty	Poverty Gap Rate
Western Cape	5 036 658	1 975 546	39.2%	28.8%	6 269 006	2 517 160	40.2%	27.1%
Eastern Cape	6 439 517	4 622 965	71.8%	33.5%	6 929 508	4 394 758	63.4%	30.2%
Northern Cape	**1 024 476**	**570 352**	**55.7%**	**31.4%**	**1 196 209**	**569 434**	**47.6%**	**27.6%**
Free State	2 705 254	1 608 464	59.5%	31.7%	2 838 049	1 574 806	55.5%	28.8%
KwaZulu-Natal	9 854 252	6 460 194	65.6%	33.1%	10 864 049	6 528 658	60.1%	30.5%
North-West	3 178 133	1 985 968	62.5%	32.0%	3 729 479	1 987 969	53.3%	29.0%
Gauteng	10 101 588	4 164 551	41.2%	30.0%	13 151 317	5 493 353	41.8%	28.5%
Mpumalanga	3 678 848	2 406 842	65.4%	32.5%	4 239 650	2 415 236	57.0%	29.7%
Limpopo	5 223 388	3 857 987	73.9%	33.3%	5 681 167	3 587 487	63.1%	29.7%
South Africa	**47 240 736**	**27 652 869**	**58.5%**	**32.2%**	**54 897 094**	**29 068 861**	**53.0%**	**29.4%**

Source: Global Insight, 2017 [Version 1046 (2.5x)]

In 2015, the poverty rate decreased in most provinces, except for Western Cape and Gauteng where there was a slight increase from 39.2 and 41.2 per cent in 2005 to 40.2 and 41.8 per cent in 2015 respectively. Despite the percentage of people in poverty increasing in the Western Cape, the province recorded the smallest percentage of people living in poverty for both years under review. The Northern Cape recorded a decline of 8.1 percentage points in the poverty rate, decreasing from 55.7 per cent in 2005 to 47.6 per cent in 2015. Even though there was a population increase in all provinces, the poverty gap rate declined. The poverty gap rate for the Northern Cape decreased by 3.8 percentage points.

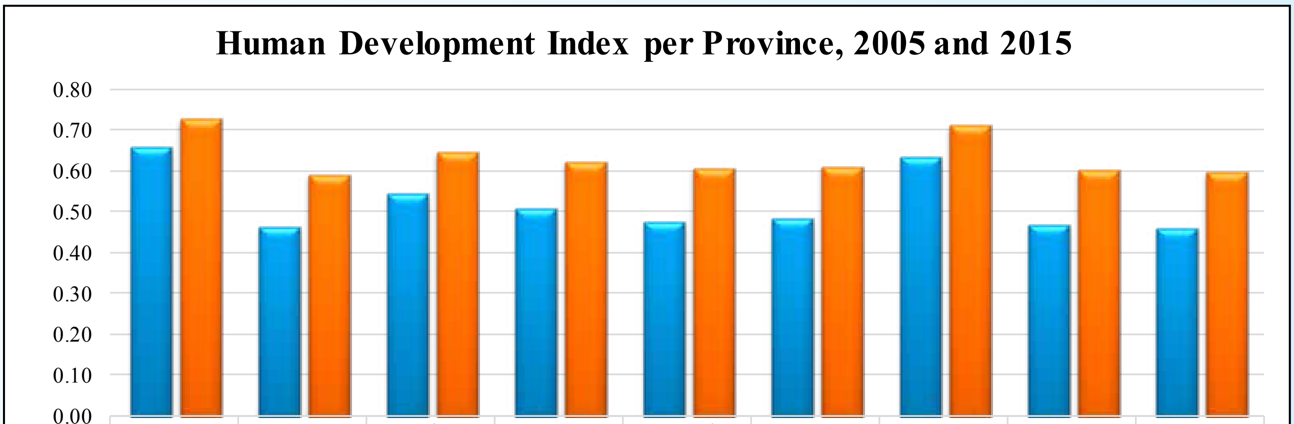
4.3 Development Indicators

In this analysis, there are three indicators that are used to measure the development of the province, namely the Human Development Index (HDI), Gini coefficient and income distribution.

4.3.1 Human Development Index

The UN defines HDI as a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and having a decent standard of living. The health dimension is assessed by life expectancy at birth; the education dimension is measured by mean of years of schooling for adults aged 25 years and older and expected years of schooling for children of school entering age; and the standard of living dimension is measured by gross national income per capita. The HDI ranges from 0 to 1, with 0 indicating no development while 1 indicates perfect development. Figure 4.1 below provides the HDI per province for 2005 and 2015.

Figure 4.1: Human Development Index per Province, 2005 and 2015



	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo
2005	0.66	0.46	0.55	0.51	0.48	0.49	0.64	0.47	0.46
2015	0.73	0.59	0.65	0.63	0.61	0.61	0.71	0.60	0.60

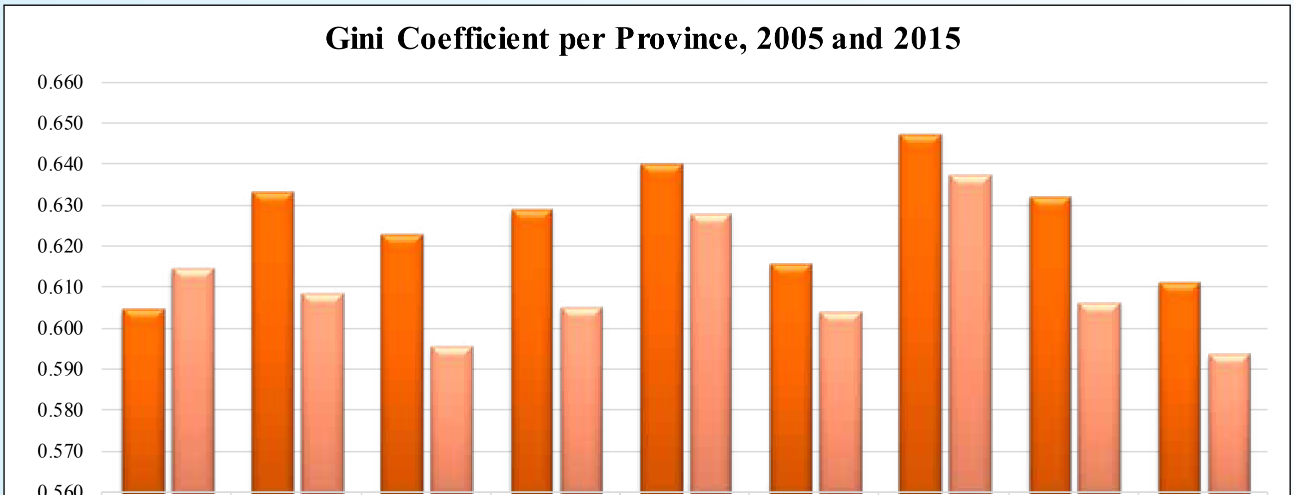
Source: Global Insight, 2017 [Version 1046(2.5x)]

The Western Cape, Northern Cape, Free State and Gauteng Provinces had HDIs above 0.5 in 2005. This was an indication that these provinces were semi-developed. The Eastern Cape and Limpopo were the most underdeveloped in the country each with an HDI of 0.46 in 2005. In 2015, all provinces recorded an HDI of above 0.5, indicating development is happening and the lives of the communities are improving. Western Cape followed by Gauteng and Northern Cape recorded the highest HDIs in 2015 at 0.73, 0.71 and 0.65 respectively.

4.3.2 Income Distribution

The Gini coefficient is used to measure income inequality. It varies between 0 and 1, where 0 indicates perfect equality and 1 indicates perfect inequality. Figure 4.2 below depicts the Gini coefficient of all the provinces in South Africa for 2005 and 2015.

Figure 4.2: Gini Coefficient per Province, 2005 and 2015



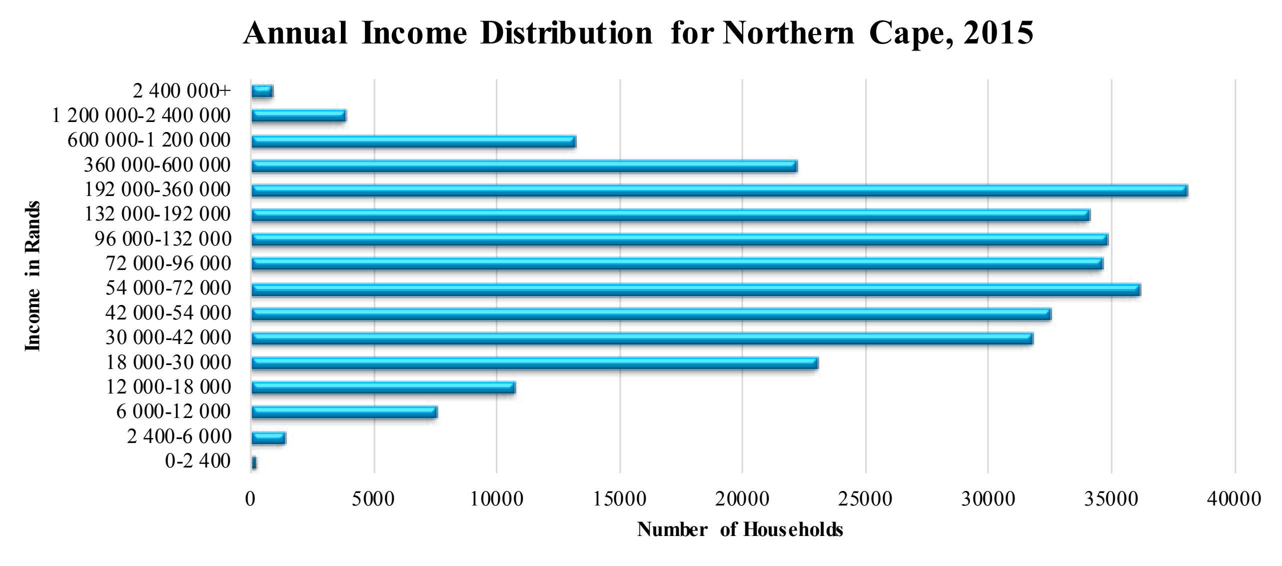
	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo
2005	0.605	0.633	0.623	0.629	0.640	0.616	0.647	0.632	0.611
2015	0.615	0.608	0.596	0.605	0.628	0.604	0.637	0.606	0.594

Source: Global Insight, 2017 [Version 1046(2.5x)]

Between 2005 and 2015, the Gini coefficient decreased for all provinces except for the Western Cape where it increased from 0.605 to 0.615. Gauteng had the highest Gini coefficient for both years at 0.647 and 0.637 in 2005 and 2015 respectively, followed by Kwa-Zulu Natal with 0.640 and 0.628. The Northern Cape recorded the second lowest Gini coefficient in the country in 2015 at 0.596, while Limpopo had the lowest with a Gini coefficient of 0.594.

Figure 4.3 below illustrates the annual income distribution for the Northern Cape for 2015.

Figure 4.3: Annual Income Distribution for Northern Cape, 2015



Source: Global Insight, 2017 [Version 1046(2.5x)]

In 2015, 38 017 households were earning between R192 000 and R360 000 per annum, which was the largest income bracket in the province. This was followed by households earning between R54 000 and R72 000 per annum at 36 071 households. Only 0.05 per cent of households within the province earned between R0 and R2 400, while 0.26 percent of households earned above R2 400 000.

4.4 Access to Services

4.4.1 Education

Table 4.2 below presents the number of learners, educators, schools and ratios for the Northern Cape for 2015.

Table 4.2: Number of Learners, Educators and Schools for Northern Cape, 2015

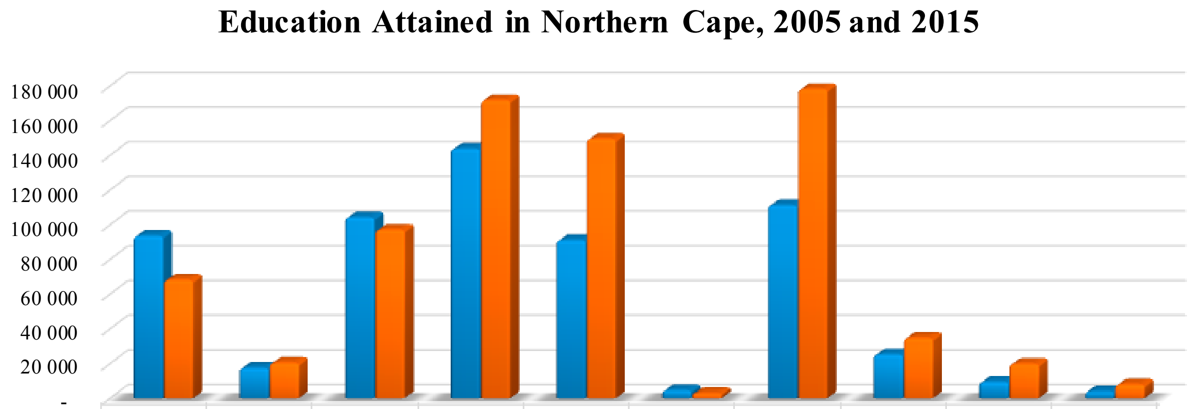
Type of Schools	Learners	Educators	Schools	L:E Ratio	L:S Ratio
Private	3 630	336	29	10.80	125.17
Public	286 509	8 826	552	32.46	519.04
Provincial Total	**290 139**	**9 162**	**581**	**31.67**	**499.38**

Source: Department of Basic Education, 2015

The province recorded an overall total of 290 139 learners in 2015, with a total number of 581 schools and a combined number of 9 162 educators. Public schools continued to have the largest number of learners, educators and schools when compared to private schools. The private schools recorded the lowest learner to educator (L: E) and learner to school (L: S) ratios at 10.80 and 125.17 respectively. The public schools recorded ratios of 32.46 and 519.04 respectively.

Figure 4.4 below shows the level of education attained in the Northern Cape for 2005 and 2015.

Figure 4.4: Education Attained in Northern Cape, 2005 and 2015



	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
2005	93 568	17 419	104 191	143 695	91 010	4 640	111 203	25 181	9 424	3 890
2015	68 107	20 333	97 021	171 665	149 408	2 679	178 043	34 634	19 754	7 895

Source: Global Insight, 2017 [Version 1046(2.5x)]

The number of people with no schooling declined by 25 461 from 93 568 in 2005 to 68 107 in 2015. The province further recorded a decline in only two other categories which were Grade 3 to 6 and certificate or diploma without matric. The number of people with only matric increased the most, from 111 203 in 2005 to 178 043 in 2015, which is an increase of 66 840. There was, however, also a large increase in the number of people with Grade 10 to 11. The number of people who obtained matric and a certificate or diploma, matric and a bachelor's degree and matric and a postgraduate degree also increased over the period under review. This trend is very good for the province as it shows growth in education attainment and skills in the province. However, it is a concern that there is an increasing number people without matric. With matric being a minimum requirement for many employment opportunities, people may end up in unemployment or unskilled, low income work rather than becoming skilled workers with higher income potential. Skills advancement and lower high school dropout rates should be promoted in the province as well as adult learning initiatives to increase the level of education of people who are above the school-going age.

4.4.2 Health

Table 4.3 below shows the number of health facilities in the Northern Cape for 2016.

Table 4.3: Number of Health Facilities for Northern Cape, 2016

	2016
Tertiary Hospital	1
Regional Hospital	1
District Hospitals	11
Community Health Centre	33
Clinics	132
Satellite Clinics	44
Mobile Points	30
Total Province	252

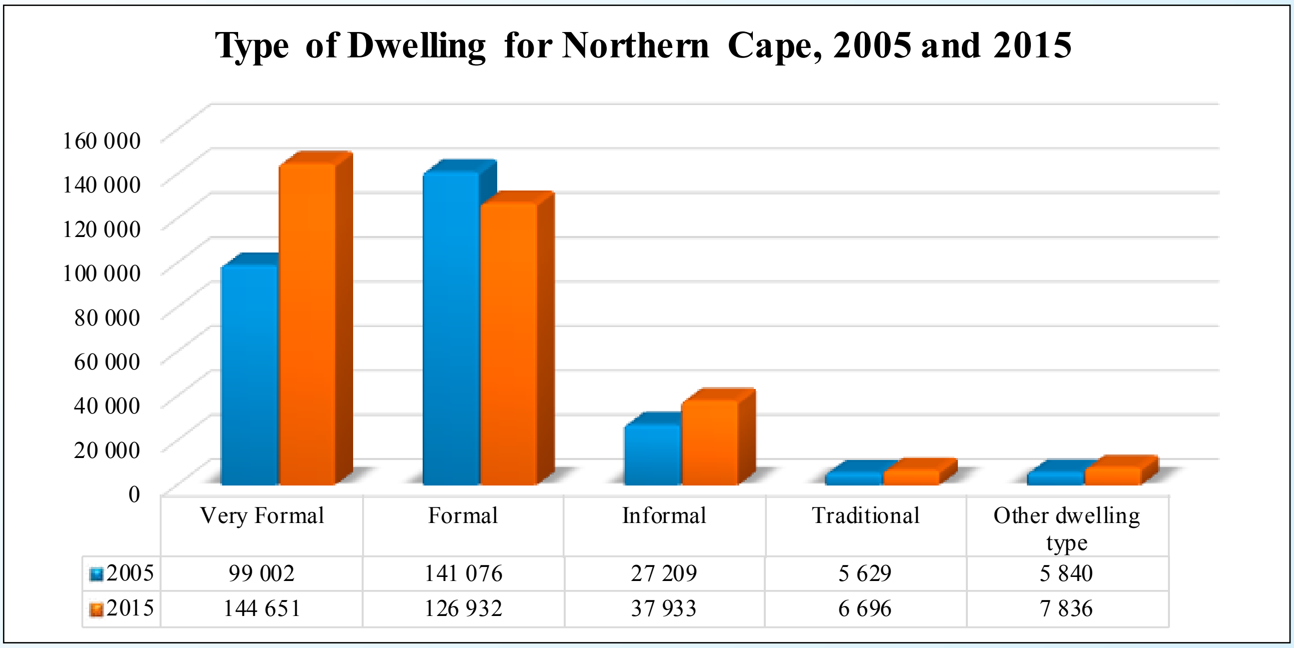
Source: Northern Cape Department of Health, 2017

The province had only one tertiary hospital and one regional hospital which can be located in the Frances Baard and ZF Mgcawu districts respectively. All districts in the province had a minimum of two districts hospitals, except for Pixley ka Seme which had three hospitals. The province further had 132 clinics, 30 mobile points, 44 satellite clinics and 33 community health centres.

4.4.3 Housing

Figure 4.5 below shows the number of households by dwelling type for the Northern Cape for 2005 and 2015.

Figure 4.5: Type of Dwelling for Northern Cape, 2005 and 2015



Source: Global Insight, 2017 [Version 1046(2.5x)]

The number of households living in very formal dwellings increased by 45 649 from 99 002 in 2005 to 144 651 in 2015. The number of households living in formal dwellings decreased from 141 076 to 126 932 between 2005 and 2015 while the number of households living in informal dwellings increased by 10 724 households from 27 209 to 37 933. The number of households living in both traditional and other dwelling types experienced an increase.

4.5 Access to Basic Services

One of the National and Provincial Government's mandates is to improve and prolong the lives of its citizens; hence they have prioritised the provision of basic services such as water, electricity, refuse removal and sanitation. Table 4.4 below shows the number of households with or without access to basic services in the Northern Cape for 2005 and 2015.

Table 4.4: Number of Households With or Without Access to Basic Services for Northern Cape, 2005 and 2015

Access to Sanitation	**2005**	**2015**
Flush toilet	202 792	232 406
Ventilation Improved Pit (VIP)	17 250	29 556
Pit toilet	13 619	29 485
Bucket system	20 543	8 769
No toilet	24 551	23 832
Access to Water		
Piped water inside dwelling	130 170	154 814
Piped water in yard	112 437	97 123
Communal piped water: less than 200m from dwelling (At RDP-level)	13 378	37 495
Communal piped water: more than 200m from dwelling (Below RDP)	10 983	14 074
No formal piped water	11 787	20 543
Access to Electricity		
Electricity for lighting only	43 292	19 231
Electricity for lighting and other purposes	184 188	266 891
Not using electricity	51 276	37 926
Access to Refuse Removal		
Removed weekly by authority	199 082	220 437
Removed less often than weekly by authority	5 358	7 664
Removed by community members	7 259	8 141
Personal removal (own dump)	53 142	73 263
No refuse removal	13 915	14 543

Source: Global Insight, 2017 [Version 1046 (2.5x)]

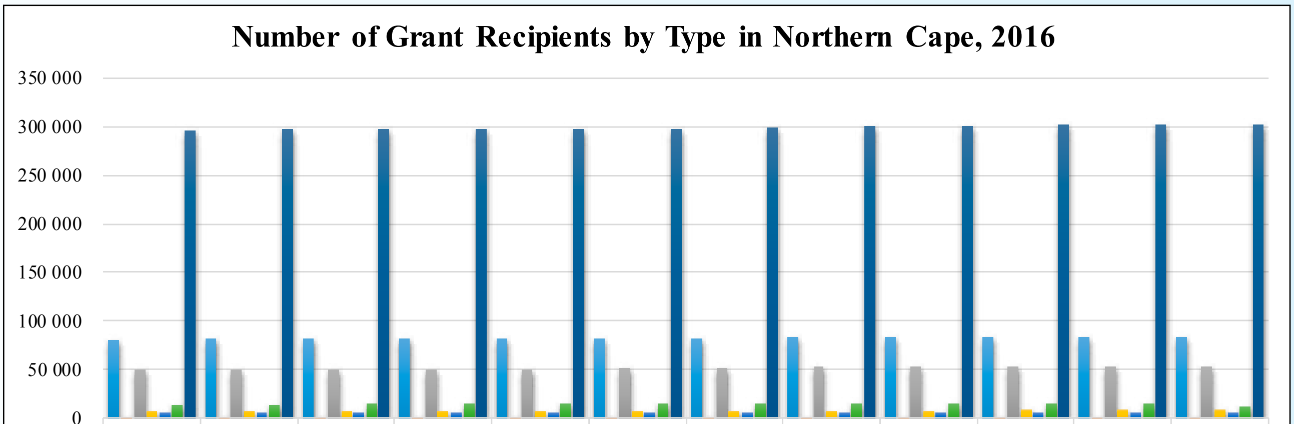
The province recorded an increase in the number of households with access to flush toilets, ventilation improved pit and pit toilets from 2005 to 2015. The province continued with its drive to eradicate the bucket system in communities as there was a significant decrease from 20 543 in 2005 to 8 769 in 2015. With regards to access to water, households with piped water in the yard decreased by 15 314. Piped water inside the dwelling, communal piped water less than 200m from the dwelling, communal piped water more than 200m from the dwelling and no formal piped water all showed an increased between 2005 and 2015.

The number of households that use electricity for lighting and other purposes increased by 82 703. There was however a decrease in households that used electricity for lighting only from 43 292 to 19 231. Access by households to refuse removal increased between 2005 and 2015, while the most significant increase was refuse removed weekly by authorities. There was however also an increase in the number of households with no refuse removal.

4.6 Social Grants

Figure 4.6 below shows the number of grant recipients by type of grant in the Northern Cape for 2016. The grant types are: Old Age Grant (OAG), War Veteran's Grant (WVG), Disability Grant (DG), Grant in Aid (GIA), Child Support Grant (CSG), Foster Child Grant (FCG) and Care Dependency Grant (CDG).

Figure 4.6: Number of Grant Recipients by Type in Northern Cape, 2016



	January	February	March	April	May	June	July	August	September	October	November	December
OAG	80 719	80 992	81 241	81 434	81 757	82 035	82 251	82 404	82 680	82 928	83 160	83 156
WVG	8	8	8	8	7	7	6	6	5	5	5	5
DG	50 032	49 504	49 580	49 557	50 426	51 098	51 435	52 003	52 221	52 036	52 789	52 337
GIA	7 196	7 216	7 311	7 392	7 542	7 645	7 740	7 812	7 949	8 104	8 265	8 315
CDG	4 991	4 997	5 020	5 013	5 037	5 066	5 085	5 114	5 907	5 947	5 937	5 977
FCG	12 619	13 564	14 075	14 288	14 403	14 492	14 573	14 629	14 697	14 807	14 879	11 962
CSG	295 881	296 657	297 280	297 140	297 086	297 828	298 619	300 268	300 140	301 759	301 588	301 831

Source: SASSA Statistical Reports 2016-2017

CSG followed by OAG had the largest number of grant recipients in the province in 2016. WVG had the smallest number of people receiving grants, with 8 people in January decreasing to 5 people in December 2016. The total number of grant recipients in the Northern Cape increased by 12 137 from January to December 2016.

4.7 Conclusion

Despite the increase in the population of the Northern Cape Province in 2015, the poverty rate decreased between 2005 and 2015. The poverty gap rate also declined. The province continued to develop; recording an HDI of 0.65 in 2015. With regard to income distribution, the province recorded the second lowest Gini coefficient in the country in 2015 at 0.596. This is a step in the right direction for achieving a more equal distribution of income. In terms of access to services, the province had a total of 290 139 learners with a total number of 581 schools and a combined number of 9 162 educators. There were 252 health facilities in the province including one tertiary hospital and one regional hospital with 11 district hospitals.

There has been a general improvement in the number of households with access to basic services; however the province still has work to do in eradicating the bucket system and also connecting households which currently have no formal piped water and electricity. The total number of grant recipients in the province increased from January to December 2016.

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