



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

LIMPOPO PROVINCE

NATIONAL
SENIOR CERTIFICATE

GRADE 12

ECONOMICS P1
SEPTEMBER 2026
MARKING GUIDELINES

MARKS: 150

DURATION: 2 HOURS

This marking guidelines consists of 26 pages.

SECTION A: COMPULSORY**QUESTION 1****30 MARKS – 20 MINUTES****1.1 MULTIPLE-CHOICE QUESTIONS**

- 1.1.1 D - money✓✓
- 1.1.2 A - collective✓✓
- 1.1.3 B - accountability✓✓
- 1.1.4 C – absolute advantage✓✓
- 1.1.5 B - protocol✓✓
- 1.1.6 C – Expanded Public Works Programme (EPWP) ✓✓
- 1.1.7 D – National Industrial Policy Framework (NIPF) ✓✓
- 1.1.8 A – terms of trade✓✓

(8 x 2) (16)

1.2 MATCHING ITEMS

- 1.2.1 B – the additions to the circular flow of income that increases economic activity✓
- 1.2.2 F – fiscal policy instrument used to influence economic activity✓
- 1.2.3 I – states that if the tax rates are increased above a certain level, the tax revenues fall✓
- 1.2.4 G – finance balance of payments deficits experienced by member countries✓
- 1.2.5 H – complete ban imposed to the imports of certain goods from country✓
- 1.2.6 E – financial assistance designed by government to help low-to-middle households afford property✓
- 1.2.7 D – spatial areas the offer advantage on mining, manufacturing and other businesses✓
- 1.2.8 A – an economic indicator that relates to the cost of production✓

(8 x 1) (8)

1.3 GIVE THE TERM

1.3.1 Households✓

1.3.2 Privatisation✓

1.3.3 Balance of payments ✓

1.3.4 Economic development✓

1.3.5 Innovation✓

1.3.6 Mass production✓

(6 x 1) (6)

TOTAL SECTION A: [30]

SECTION B

Answer any **TWO** of the three questions in this section in the ANSWER BOOK.

QUESTION 2: MACROECONOMICS**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 **Name any TWO methods to calculate gross domestic product (GDP).**

- Production✓
- Income✓
- Expenditure✓

(2 x 1) (2)

2.1.2 **How does an increase in government spending reduce unemployment rate?**

- An increase in government spending stimulates economic activity which drives up the demand for labour.✓✓

(Accept any other correct relevant response)

(1 x 2) (2)

2.2 DATA RESPONSE

2.2.1 **Identify an example of injection in the extract above.**

- Government expenditure✓

(1)

2.2.2 **Name ONE example of leakage in a circular flow.**

- Taxes ✓
- Savings ✓
- Imports✓

(1)

2.2.3 **Briefly describe the term *multiplier*.**

- A small initial increase in spending produces a proportionately larger increase in the aggregate income✓✓

(Accept any other correct relevant response)

(2)

2.2.4 **Explain the importance of an investment in the economy.**

- It will lead to expansion of infrastructure development✓✓
- There will be increased employment and unemployment will decrease✓✓
- It will improve the standard of living of many people✓✓
- Increased economic growth which will positively impact on the economy✓✓

(Accept any other correct relevant response)

(2)

2.2.5 How will a decrease in injections impact on the South African economy?

- A decrease in investment and government projects results in businesses cutting production and reducing demand for labour✓✓
- Lower investment activity reduces the demand for credit, indicating low economic activity✓✓
- Lower injections lead directly to contraction in aggregate spending and lower equilibrium of national income✓✓
(Accept any other correct relevant response)

(4)

2.3. DATA RESPONSE

2.3.1 Identify the forecasting technique that uses historical business data to predict business cycle.

- Extrapolation✓

(1)

2.3.2 Name a short-term economic business cycle that lasts 3-4 years, driven by fluctuations in business inventory levels.

- Kitchen cycle✓

(1)

2.3.3 Briefly describe the term amplitude.

- Amplitude is the vertical distance between peak and trough and trend line / It is value of total output between a trough and a peak and trend line / It measures distance of oscillation of variables from the trend line✓✓
(Accept any other correct relevant response)

(2)

2.3.4 What is the significance of the trend line as a feature underpinning forecasting?

- It indicates the general direction of the economy / It shows the growth and decline in output✓✓

(Accept any other correct relevant response)

(2)

2.3.5 **How does economic prosperity positively influence the South African economy**

- It increases aggregate demand of goods and services which drives in businesses to expand production✓✓
- Increased production forces businesses to hire more workers to meet the increased output, thereby reducing unemployment✓✓
- Economic prosperity increases spending on education, infrastructure and innovation, which attract business investment✓✓
- A highly educated, healthy workforce is more productive, driving higher output✓✓
- Economic prosperity brings technological advancements and higher productivity, enabling businesses to produce more at a low cost per unit✓✓
- This increased supply prevents shortages that typically push up prices✓✓

(Accept any other relevant response)

(4)

2.4 **Briefly discuss *money market* and *capital market* in the circular flow model.**

Money market

- The money market is for the short-term and very short-term savings and loans✓✓
- The South African Reserve Bank (SARB) is the key institution in the money market✓✓
- The securities traded include short-term deposits, short-term debentures and treasurer bills✓✓
- The money market includes interbank lending for a period short as overnight✓✓
- The SARB administers the function of legislating and managing money market✓✓

(Accept any other correct relevant response)

(2x2)

Capital market

- The capital market is the market for long-term savings and loans✓✓
- The Johannesburg Securities Exchange (JSE) is the key institution in the capital market✓✓
- The securities traded in this market are long-term deposits, mortgage bonds and shares✓✓

(Accept any other correct relevant response)

(2x2)

(A maximum of 4 marks may be allocated for mere listing of facts/examples)

(8)

2.5 **How can the South African Reserve Bank correct balance of payments disequilibrium?**

- The SARB may adjust interest rates upwards to make borrowing expensive for households which may discourage expenditure on imports✓✓
- An increase in repo rate attract capital inflow as investors are interested in high returns on financial investments✓✓
- Higher interest rates encourage local households to save and discourage expenditure on imports✓✓
- The SARB can control foreign exchange by compelling exporters to hand over foreign currency to the Reserve Bank, which help to reduce importing✓✓
- Importers who require foreign exchange need to apply for it from the Reserve Bank which can discourage importing.
- The SARB may sell government securities on open markets reduce money supply and spending on imports✓✓
- Increase the cash reserve requirements to reduce credit creation which help to reduce spending on imports✓✓
- Negotiate with commercial banks to be stricter when granting credit to discourage spending on imports✓✓
- Influence depreciation of the rand, by buying foreign exchange in markets, to discourage importing and promote exporting✓✓

(Accept any other correct relevant response)

(A maximum of 2 marks may be allocated for mere listing of facts/examples) (8)

QUESTION 3: ECONOMIC PURSUITS**40 MARKS – 30 MINUTES****3.1 Answer the following questions.****3.1.1 Name any TWO examples of cash benefits in South Africa.**

- Old-age pensions✓
- Disability grants✓
- Child support grants✓

(Accept any other correct relevant response)

(2 x 1) (2)

3.1.2 How does World Trade Organisation promote free trade?

- Lowering trade barriers. / Establishing transparent binding rules for international trade / Providing legal framework for resolving disputes among members✓✓

(Accept any other correct relevant response)

(1 x 2) (2)

3.2 DATA RESPONSE**3.2.1 Identify a reason why South Africa must concentrate on the promotion of exports in the extract above.**

- To earn much-needed foreign currency to pay for imports of essential goods and services and advanced technology✓

(1)

3.2.2 Name ONE method of export promotion.

- Incentives✓
- Subsidies✓
- Trade neutrality✓

(1)

3.2.3 Briefly describe the term *export promotion*.

- Export promotion involves providing incentives to encourage local businesses to produce goods for export / When the government pays incentives to encourage production of goods and services that can be exported✓✓

(Accept any other correct relevant response)

(2)

3.2.4 Explain the negative effect of export promotion on the environment.

- Export expansion often led to heightened energy consumption which increases carbon dioxide emissions✓✓
- High export volumes can lead to over-exploitation of non-renewable resources, causing damage to the environment✓✓
- Agricultural export promotion often led to deforestation and biodiversity loss✓✓

(Accept any other correct relevant response)

(2)

3.2.5 How does export promotion benefit South African local industries?

South African local industries will benefit as follow:

- Production of goods and services will increase as local businesses will sell their products to larger markets✓✓
- Quality of goods and services will improve as businesses try to match world standards✓✓
- Competition from foreign products will encourage local businesses to be more innovative✓✓
- Efficiency in the production of goods and services will improve resulting in businesses charging lower prices✓✓

(Accept any other correct relevant response) (2x2) (4)

3.3 DATA RESPONSE

3.3.1 Identify the nations that represent the North divide in the cartoon above.

- Rich nations✓ (1)

3.3.2 Name ONE aspect addressed by the North/South divide.

- Unequal standard of living✓ (1)
- Globalisation challenges✓
- Environment ✓

3.3.3 Briefly describe the term *North/South divide*.

- Refers to developed countries in the Northern hemisphere and the developing countries in the Southern hemisphere, that shows the division between the rich countries of the North and the poorer countries of the South✓✓

(Accept any other correct relevant response) (2)

3.3.4 Why do farmers in developing countries struggle to compete in international markets? (2)

- Developed countries provide significant financial support to the farmers, which distort global market prices✓✓
- The subsidies allow farmers in developed countries to produce excess and export their goods at artificially lower prices✓✓
- Agricultural in developing countries is often characterised by subsistence or small-scale farming, lacking capital required for high-yield modern technology✓✓

(Accept any other correct relevant response) (2)

3.3.5 How would globalisation in the North/South divide negatively impact the environment?

- These economies often burn a large amount of coal and gas, thereby causing air pollution✓✓
- This pollution causes global warming and climatic change✓✓
(Accept any other correct relevant response)

(4)

3.4 Briefly discuss the aims of regional development.

- To improve the standard of living of a specific regions or areas✓✓
- To limit the negative effects of decentralisation.✓✓
- To reduce unequal development of economic activities✓✓
- To stimulate development in poorer areas✓✓
- To implement and coordinate national and regional industrial policies✓✓
- To prevent new imbalances from emerging / enhance competitiveness of all provinces.✓✓
- To stimulate the growth of SMMEs in the economy✓✓
(Accept any other correct relevant response) (4x2)
(A maximum of 4 marks may be allocated for mere listing of facts/examples)

(8)

3.5 Evaluate the impact of import substitution as a trade policy in South Africa.

Positive impact

- It fosters growth of local industries, leading to job creation and economic diversification✓✓
- Import substitution helps to safeguard local businesses from foreign competition, enabling them to invest in production capacity and innovation✓✓
- Import substitution improve trade balance on current account, potentially decreasing trade deficits✓✓
- Import substitution can boost local agriculture and processing, contributing to better live hoods and food security✓✓
- Import substitution contribute to more robust and sustainable economic growth in South Africa✓✓
- Through tariffs and quotas and other protectionism measures, import substitution protect local industries from competition with foreign industries✓✓

Negative impact

- Protection of local industries from international competition often led to higher prices for consumers and goods that may not meet international quality standards✓✓
 - Protected industries can evolve into monopolies with little incentive or improve efficiency, stifling long-term growth and productivity✓✓
 - Protectionism measures such as high tariffs can harm South Africa's export industries✓✓
 - With reduced pressure from international competitors, local firms lack motivation to upgrade technology and adopt best practice✓✓
 - When local producers of raw materials are protected, manufacturers who use these raw materials face high input costs, making finished goods less competitive both locally and internationally✓✓ (8)
- (Accept any other correct relevant response)
- (A maximum of 2 marks may be allocated for mere listing of facts/examples)**

[40]

**QUESTION 4 MACROECONOMICS AND
ECONOMIC PURSUITS****40 MARKS – 30 MINUTES****4.1 Answer the following questions****4.1.1 Name any TWO international benchmark criteria for regional development.**

- Free-market orientation✓
- Competitiveness✓
- Sustainability✓
- Good governance✓
- Provision of resources✓
- Investment in social capital✓
- Integration✓
- Partnerships ✓

(2 x 1) (2)

4.1.2 What impact will management failure have on the service delivery?

- It may lead to a decline in the quality and efficiency of local government services. ✓✓
- It resulted in a lack of infrastructure maintenance, bureaucratic hurdles and general lack of public trust.✓✓
- It may lead to poor service delivery can that results in public frustration and protests, as citizens seek access to basic services. ✓✓

(Accept any other relevant response)

(2)

4.2 DATA RESPONSE

4.2.1 **Identify the year in which the rand appreciated the most against the US dollar in the information above.**

- 2022✓ (1)

4.2.2 **Name the currency that is widely used in the international transactions.**

- US dollar✓ (1)

4.2.3 **Briefly describe the term *revaluation*.**

- It is an increase in the value of a currency in term of another due to deliberate action by the government. / Deliberate government intervention to increase the value of a currency / It is when the government (central bank) fixes or pegs the value of currency in terms of another at higher level than before✓✓
(Accept any other correct relevant response) (2)

4.2.4 **Explain the effect of a fluctuation of rand/US dollar exchange rate from 2022 to 2023 on the value of rand.**

- The exchange rate will fluctuate from \$1 = R16,37 to \$1 = R18,46✓✓
- The rand will depreciate against the US dollar✓✓
(Accept any other correct relevant response) (2)

4.2.5 **How does a weaker rand affect the economic growth in South Africa?**

- A weaker currency means local currency buy less than before, lowering overall disposable income✓✓
- A weaker exchange rate increases costs for local consumers by making imported goods, fuel and raw materials expensive✓✓
- Consumers pay more for imported products, such as electronics, clothing and vehicles✓✓
(Accept any other correct relevant response) (4)

4.3 DATA RESPONSE

4.3.1 **Identify the reason why industrial development zones (IDZs) are linked to international airports or seaports in the information above.**

- Access for transport for export purposes✓ (1)

4.3.2 **Name any other industrial development zone in South Africa.**

- Coega (steel and auto) ✓
- East London (vehicles) ✓
- Richards Bay (metals) ✓
- Mafikeng IDZ✓
- Saldanha Bay (steel) ✓
- Dube Trade Port✓ (1)

4.3.3 **Briefly describe the term *industrial development zones*.**

- Purpose-built industrial estates that are physically enclosed and linked to an international port or airport✓✓
(Accept any other correct relevant response) (2)

4.3.4 **Explain the benefit enjoyed by the businesses operating in industrial development zones (IDZs).**

- Businesses enjoy duty-free importation of product-related raw materials and inputs✓✓
- Businesses that are in IDZs enjoy world-class infrastructure✓✓
- Businesses operating in IDZs enjoy a zero rate of VAT on supplies from South African sources and reduce taxation in some products✓✓
- Businesses have access to transport for exporting purposes and latest technology for global communication✓✓
(Accept any other correct relevant response) (2)

4.3.5 **How does Public-Private Partnerships improve the economic potential in underdeveloped areas?**

- Private businesses provide the capital to build the factories, buy raw materials and employ labour✓✓
- The government provide capital for infrastructure such as roads and water supply✓✓
(Accept any other correct relevant response) (4)

4.4 Briefly discuss *leading indicators* and *coincident indicators* as features underpinning forecasting of business cycle.

Leading indicators

- These are the indicators that change before the economy changes✓✓
- They reach peak and trough before business cycle✓✓
- They give advance warnings of changes in economic activity✓✓
- They are the most important indicators that help the economists to predict business cycle✓✓
- When these indicators rise, the level of economic activities will also rise in a few months' time✓✓
- Leading indicators are also important to investors because they are used to predicting the future of economy✓✓
- Examples are job advertising spaces, inventory and sales, net gold export and other foreign reserves, gold ore milled, physical volume of mining production, number of new cars sold, real merchandise exports, new company registered✓

(2x2)

Coincident indicators

- These are the indicators that change together with the economy✓✓
- They reach peak and trough at the same time as the business cycle✓✓
- They indicate the actual state of the economy✓✓
- They move at the same time as economy moves✓✓
- Coincident indicators coincide with turning points✓✓
- If coincidence indicators are improving, it means the economy is improving✓✓
- Examples are registered employees, real GDP, retail sales, real merchandise imports✓

(2x2)

(Accept any other correct relevant response)

(A maximum of 4 marks may be allocated for mere listing of facts/examples)

(8)

4.5 How can South Africa use supply-side measures to promote economic growth and development?

South Africa promotes economic growth and development by:

- removing unnecessary rules and regulations (deregulation) to improve efficiency of markets✓✓
- lowering some of the taxes and license fees to reduce administrative costs for businesses✓✓
- reducing requirements and procedures of registering businesses in the country✓✓
- improving quality of education and training to improve skills of the labour force✓✓
- improving availability, reliability and costs of infrastructure services to ensure financial viability and profitability of business✓✓
- promoting competition in different markets to improve economic efficiency✓✓
- promoting introduction of more affordable and reliable sources of energy✓✓
- providing subsidies and incentives to encourage capital formation in the economy✓✓
- upgrading and maintaining its transport networks to promote and ensure greater efficiency within the transport sector✓✓

(Accept any other correct relevant response)

(A maximum of 2 marks may be allocated for mere listing of facts/examples)

(8)

[40]

TOTAL SECTION B: [80]

SECTION C

Answer any ONE of the two questions in this section in the ANSWER BOOK

QUESTION 5: MACROECONOMICS**40 MARKS – 40 MINUTES**

- **Discuss in detail the main objectives of the public sector in the economy.**
(26 marks)
- **Evaluate the success of government expenditure in reaching its macroeconomic objectives**
(10 marks)

INTRODUCTION

- Macroeconomic objectives are the key targets governments strive for to ensure a stable, growing and prosperous economy / The state tries to shape and guide the economy and the duty of the state to run the economy satisfactory✓✓
(Accept any other correct relevant conclusion)

(Max:2)

MAIN PART**Economic growth ✓**

- Economic growth is an increase in the production capacity of the capacity.✓✓
- It is measured in terms of an increase in the real GDP.✓✓
- Real GDP is the value of goods produced adjusted to the price changes (inflation).✓✓
- Economic development occurs when the economic growth rate is higher than population growth rate.✓✓
- High economic growth means there will be fewer people depending on state to satisfy their basic needs. ✓✓
- State ensures continual improvement by offering quality education and skills training.✓✓
- In South Africa, economic growth has been extremely low due to factors such as natural disasters, power cuts and lack of investments.✓✓

Full employment✓

- Full employment means all people who want to work obtain a job.✓✓
- Government is always trying to attain high levels of employment✓✓
- The unemployment rate increased over the past few years and above 30% after Covid-19 pandemic.✓✓
- Informal sector activities must be promoted because it is an area where employment increases.✓✓
- GEAR was implemented to create positive climate that was conducive to employment creation by the private sector.✓✓
- This will lower crime rate and better standards of health. ✓✓
- Disabled people have disadvantaged status in South Africa. ✓✓

- The state accelerates employment creation through direct employment schemes, targeted subsidies and expansionary macroeconomic packages.✓✓
- The state supports knowledge-intensive and capital-intensive sectors to remain competitive.✓✓

Price stability.✓

- Price stability occurs when the general prices of goods and services do not change much over time.✓✓
- In South Africa relative price stability means the inflation rate remains in the inflation target of 3%.✓✓
- Interest rates, based on repo rate are the main instruments used to achieve price stability.✓✓
- Reserve Bank has a duty to maintain low and stable inflation and maintain inflation target, e.g. 3% in South Africa. ✓✓
- A stable budget deficit also has a stabilising effect on price stability.✓✓
- When prices are low, market economies produce better results in terms of economic growth and employment.✓✓
- In mixed economy, price fluctuations are caused by demand and supply. ✓✓
- When prices are stable, firms and consumers can plan and do accurate budgeting.✓✓
- Stable prices boost investor's confidence and attract foreign and domestic investment.✓✓
- Inflation targeting helps to create a greater degree of transparency in monetary policy.✓✓
- In South Africa, inflation rate is high due to factors such as an increasing fuel and food prices.✓✓

Economic equity✓

- A redistribution of income and wealth is essential in the market economies.✓✓
- A market failure is that distribution of income among citizens is unfair.✓✓
- There are some sections of society that earn a large amount of money and while others earn very little.✓✓
- The South African government uses progressive tax system to redistribute income✓✓
- Taxes are used to finance development for the poor✓✓ e.g. social security grants✓
- Basic education, primary health care and cash grants to the poor can help to enhance economic equity.✓✓
- The government also tries to compensate the human rights abuses of the past by implementing redress policies such as Employment Equity Act (EEA) and Black Economic Empowerment (BEE). ✓✓

Exchange rate stability✓

- Exchange rate stability occurs when the exchange rate relatively remains constant over time.✓✓
 - Depreciation and appreciation of currency cause uncertainty for producers, investors and consumers.✓✓
 - Volatile exchange rate causes the price of imports and exports to be erratic which could cause balance of payments disequilibria.✓✓
 - Government uses fiscal and monetary policies to ensure that the exchange rate remains relatively stable for as long as possible.✓✓
 - Exchange rate stability helps to control the inflation and achieve higher economic growth. ✓✓
 - The South African Reserve Bank replaced the managed floating exchange rate system with a free-floating exchange rate system.✓✓
 - In South Africa, the rand has been depreciating due to factors such as less exports and more imports. ✓✓
- (Accept any other correct relevant response)

(Allocate a max of 8 marks for headings/ subheadings and examples)

(Max: 26)

ADDITIONAL PART

The government expenditure is successful in reaching these goals by:

- The government increased its expenditure on infrastructure which increases demand for and productivity of capital goods.✓✓
 - The government has increased welfare expenditure such as social grants which stimulate consumer spending.✓✓
 - These expenses of social grants and other social reliefs increase demand for goods and encourage businesses to produce more.✓✓
 - The government provides subsidies and incentives to encourage the production of goods and services. ✓✓
 - Reducing unemployment through EPWP. If it was not the programme, unemployment would have been even higher.✓✓
 - Improving economic equity (BEE) through affirmative action, gender equity.✓✓
- (Max 10)

The government expenditure is not successful in reaching these goals by:

- High economic growth has remained sluggish, with projections for 2026 averaging only around 18%, which is insufficient to keep pace with labour force growth. ✓✓
- Public spending has been shifted away from capital investment toward consumption, leading to the decline in gross capital formation. ✓✓
- High unemployment remains untouched by the government expenditure, which has not successfully fostered a labour-intensive growth path. ✓✓

- South Africa is still the highest in the world (33.2% in Q2 2025) due to the mismatch between supply and demand. ✓✓
- Real per capita spending on public services like health and education has declined, harming the poor. ✓✓

(Accept any other correct relevant response)

(A maximum of 2 marks may be allocated for mere listing of facts/examples)

(Max:10)

CONCLUSION

- The state plays a significant role in achieving the macroeconomic objectives by guiding the economy through the national budget / Unless the state runs the economy well, the public sector is unable to fulfil its social responsibilities. ✓✓

(Accept any other correct relevant conclusion)

(Max: 2)

[40]

QUESTION 6: ECONOMIC PURSUITS**40 MARKS – 40 MINUTES**

- **Discuss in detail various social indicators.** (26)
- **Evaluate the use of social indicators in assisting the South African government in decision-making?** (10)

INTRODUCTION

- Social indicators are measures that economists use to evaluate the performance of a country in terms of the social well-being of its citizens. ✓✓
(Accept any other correct relevant introduction) (Max: 2)

MAIN PART**DEMOGRAPHICS✓**

- These deals with characteristics of the population, such as size, race, age, gender, income geographical distribution, language, education, occupation and religion. ✓✓
- They are definable issues related to human well-being over a period. ✓✓
- The size of the population is important for infrastructure and social programmes. ✓✓

POPULATION GROWTH✓

- Population growth is the increase in the number of people residing in the country. ✓✓
- In South Africa, population increased to approximately 63.1 million in 2025. ✓✓
- Measuring population growth is important for delivering social services. ✓✓
- When the size of the population increases, the tax base (total number of people paying taxes) for the government will increase. ✓✓
- Understanding population growth is important for predicting, managing, monitoring and eradicating pest and diseases outbreaks. ✓✓
- Population growth usually has implications for indicators related to population growth. ✓✓
- Human settlements and the use of natural resources are also related to population growth. ✓✓

LIFE EXPECTANCY✓

- Life expectancy refers to the number of years a new-born infant will live ✓✓
- In South Africa the life expectancy at birth has increased over the years. ✓✓
- Life expectancy is based on an estimate of the average age that members of a particular population group will be when they die. ✓✓
- It is a measure that is often used to determine the overall health of the community ✓✓

- Changes in life expectancy are often used to describe trends in mortality. ✓✓
- An increase in life expectancy may increase the productivity of available human resources e.g. by improving health of workers. ✓✓
- Life expectancy for population group depends on factors such as their lifestyle, access to health care, diet and economic status. ✓✓
- Assurance companies are interested in life expectancy because unexpected reductions in life expectancy reduce number of years policy holders can pay premiums. ✓✓

NUTRITION AND HEALTH✓

- The standard of living of the population is related to the nutrition and health. ✓✓

Nutrition

(a) Child malnutrition✓

- Malnutrition is expressed in two ways – weight for age (under-weight) and height for age (dwarfism). ✓✓
- The proportion of underweight children is the most important indicator of malnutrition. ✓✓
- In South Africa malnutrition is one of the leading causes of child deaths, and the number of affected children is increasing. ✓✓
- The main causes of childhood malnutrition are household food insecurity, inadequate care and unhealthy household environment and lack of health care services. ✓✓

(b) Overweight children/Obesity✓

- There is an association between obesity of children and other diseases. ✓✓
- South Africa has a combined overweight and obesity prevalence of 13.5% in children aged 6-14 years, which is higher than the 10% global prevalence in school children. ✓✓

Health

(a) Infant mortality/Child mortality✓

- Infant mortality refers to the number of children who die before the age of one year and it is the way of measuring the death of a population. ✓✓
- The infant mortality rate is the number of infant deaths for every 1 000 live births. ✓✓
- Infant mortality rate of South Africa decreased gradually from 93.59 deaths per thousand live births in 1971 to 25 deaths per thousand live births in 2020. ✓✓
- The main causes of infant mortality in South Africa are HIV and AIDS, pregnancy and childbirth complications and malnutrition, which are all related to poverty. ✓✓
- Reducing infant mortality requires increased health sector spending and improve health systems functioning. ✓✓

(b) Under-five mortality✓

- Under-five mortality is the number of children that will die before the age of five years. ✓✓
- Under-five mortality rate of South Africa fell gradually from 143.8 deaths per thousand live births in 1971 to 32.6 deaths per thousand live births in 2020. ✓✓

(c) Health expenditure ✓

- Health expenditure measures the amount of money spent on health as percentage of GDP. ✓✓
- In 2019, health expenditure as a share of GDP for South Africa was 9.1%. ✓✓

(d) Access to safe drinking water✓

- Access to safe drinking water measures the percentage of a population that has reasonable access to safe drinking water. ✓✓
- In South Africa the most improved water source was piped water inside the house with about 44% of households having such access. ✓✓
- South Africa is expected to experience a water deficit of 17% by 2030, and climate change may worsen the situation. ✓✓

(e) Access to sanitation facilities✓

- Access to sanitation facilities measures percentage of a population with at least adequate sanitation facilities that can prevent human, animal and insect contact. ✓✓
- In South Africa about 80% of households use improved sanitation facilities. ✓✓
- Approximately, 61% of households have flush toilets connected to public sewer and about 12% of households have pit toilets with ventilation pipes. ✓✓
- Poor sanitation causes economic losses associated with the direct costs of treating illnesses and lost income through reduced productivity. ✓✓

EDUCATION✓

- People's standard of living is directly related to their level of formal education. ✓✓
- Five or six years of schooling is a critical threshold for the achievement of sustainable literacy and numeracy skills.

(a) Public expenditure✓

- Public expenditure measures the percentage of national budget that is directed towards education. ✓✓
- In south Africa, education receives the greatest share of government spending with 21% of non-interest allocations set aside for basic and higher education. ✓✓
- Government expenditure on education, as a percentage of GDP in South Africa was about 6.2% in 2020. ✓✓

(b) Secondary enrolment ✓

- Secondary enrolment shows the percentage of an age group attending high school. ✓✓
- Secondary school enrolment in South Africa has been improving over the last decade. ✓✓

(c) Primary completion✓

- Primary completion refers to the percentage of an age group that has completed primary education. ✓✓
- The percentage is an indication of the efficiency of the education system. ✓✓
- The primary school completion percentage for South Africa increased from 77.07 in 1991 to 92% in 2019. ✓✓

(d) Youth literacy rate✓

- Youth literacy rate is the percentage of people ages 15-24 who can both read and write. ✓✓
- Youth literacy rate of South Africa increased from 97.6% in 2007 to 99% in 2015, growing at an average annual rate of 0.24%. ✓✓
- Literacy not only enriches an individual's life, but it creates opportunities for people to develop skills that will help them provide for themselves. ✓✓
- Literacy improves the ability of individuals to access information. ✓✓

SERVICES✓

- Services are vital to enhance people's lifestyle and level of economic and social development ✓✓

(a) Electricity ✓

- The percentage of households connected to the country's main electricity supply increased to 84.7% in 2018. ✓✓

(b) Refuse removal✓

- Approximately 66.4% of households in South Africa has access to refuse removal by the local authorities once a week in 2018. ✓✓

(c) Water supply✓

- In South Africa about 89% of households had access to clean water in 2018. ✓✓

(d) Sanitation✓

- Just over 83% of households in South Africa had access to functioning basic sanitation in 2018. ✓✓
- E.g. flush toilets/pit toilets with ventilation pipes/ and chemical toilets. ✓✓

HOUSING AND URBANISATION✓

- The standard of living of the population is directly related to the quality of their housing and services. ✓✓

Housing ✓

- In 2017, about 30% of South Africans were living in formal dwellings. ✓✓
- A further 14% was living in informal housing, which are mostly squatter settlements on the periphery of cities and towns and in the gardens of formal houses. ✓✓
- The remaining 6% was living in traditional homes in rural villages. ✓✓
- Many South African citizens are poor and cannot afford property. ✓✓
- The government supplies housing subsidies and the private sector provides housing loans. ✓✓
- The government built 2.7 million low-cost houses over the past 25 years, but there is still an estimated backlog of 2 million more. ✓✓
- Adequate housing can also facilitate labour mobility within the economy and help the economy adjust to adverse shocks. ✓✓

Urbanisation✓

- Urbanisation refers to the movement of people from rural areas to urban areas. ✓✓
- Urbanisation is the process of increasing the proportion of people living in towns and cities. ✓✓
- South Africa is urbanising rapidly with 63% of households already living in urban areas. ✓✓
- The statistics are expected rise to 71% by 2030 which will increase demand on basic infrastructure requirements. ✓✓
- Urbanisation is measured/caused by natural growth of the urban population, rural-urban migration and establishment of new towns. ✓✓

(Accept any other correct relevant response)

(Max: 26)

(Allocate a maximum of 8 marks for headings/subheadings/examples)

ADDITIONAL PART

Social indicators can assist the government in improving decision-making as follows:

Positives

- The government uses demographic information to plan and achieve certain outcomes such as welfare services for the old age. ✓✓
- Population growth allows the government to identify the size of the tax base and determine the amount of social services they will be able to deliver.
- The size of a country's population helps the government to plan for its infrastructure projects and social programmes. ✓✓
- Urbanisation indicators help the government to indicate the availability of the labour force and plan on the availability of land for human settlement and economic purposes. ✓✓
- Malnutrition and obesity indicators help the government to decide on how much to invest in the national health system and feeding schemes. ✓✓
- Housing indicators help the government to determine the housing needs of citizens and know how much it needs to invest in housing projects to improve the standard of living. ✓✓
- Education indicators allow the government to determine the future supply of skilled labour and implement suitable measures to improve the quality of education. ✓✓
- Indicators measuring access to basic services such as electricity, water and sanitation help the government to evaluate its performance in service delivery and identify areas of improvement. ✓✓
- Health indicators help the government to investigate health-related issues and formulate strategies to improve the overall health status of the country. ✓✓

[40]

Negatives

- Indicators rely on surveys or perceptions, which can be biased or influenced by cultural differences✓✓
- Reducing multidimensional social problems into single numbers or indices can mask underlying inequalities. For example, a rise in average income may hide widening gaps between rich and poor✓✓
- Governments may cherry-pick indicators that show favourable outcomes while ignoring negative ones✓✓
- Some indicators are slow to reflect change, meaning policies may be based on outdated information✓✓
- Collecting reliable social data requires significant resources, expertise, and infrastructure✓✓
- In developing regions, data gaps or inconsistencies can make indicators unreliable for decision-making✓✓
- Heavy reliance on indicators can cause governments to ignore qualitative evidence such as community narratives, cultural practices, or lived experiences✓✓

(Accept any other correct relevant response)

(Max: 10)

(A maximum of 2 marks may be allocated for mere listing of facts/examples)

CONCLUSION

- The availability of timely statistical information on the social reality and public policies is essential for analysis that enables the development of knowledge and decision-making processes.✓✓

(Accept any other relevant conclusion)

(Max: 2)

TOTAL SECTION C: 40**GRAND TOTAL: 150**