

TERM 3 : GRADE 12 GEOGRAPHY

ECONOMIC GEOGRAPHY OF SOUTH AFRICA

1. STRUCTURE OF THE ECONOMY

There are 2 ways of measuring the importance and value of the economic sectors to the total economy of our country:

Sector	Employment	Contribution to GDP
Primary sector	7%	12%
Secondary sector	22%	21%
Tertiary sector	68%	61%
Quaternary sector	3%	6%

1.1 Use of statistical and graphical information

Study and discuss page 252,253.

Complete Activity 4 page 253.

2. AGRICULTURE

2.1 Contribution of Agriculture to the South African Economy.

- Agriculture gives jobs to more than 600 000 people;
- Farm products provide raw materials for industry;
- Agriculture has not maintained the relative importance it used to have. Although our agricultural exports were good, we still imported products.

2.2 Small-scale farmers and Large-scale farmers.

2.2.1 Small-scale communal farming:

Supply little to the market:

- Farms are small so no surplus for sale;
- Governments of homelands did not train people to farm;
- Poor roads and distance to markets and ports very large;
- Few areas have access to irrigation water;
- Food produced is consumed by the family.

2.2.2 Large-scale commercial farming

These farms have for many years supplied South Africa's demand for maize, fruit, sugar, eggs, wheat, pork, milk and vegetables. Also most of the country's need for beef, mutton and chicken.

Problems/Challenges of present day:

- Production costs increased (seeds, fertilisers, irrigation water, etc)
- Government assistance and subsidies have been withdrawn;
- Low value products have been cut.

2.3 Factors that favour and hinder agriculture in South Africa.

2.3.1 Factors favouring agriculture

- A range of climates support the production of many different agricultural products:
 - Warm wetter northern and eastern parts can grow tropical crops
 - Southwestern parts suitable for grapes, fruit and wheat.
- Long growing season (200 frost-free days);
- Flat land;
- Rivers for irrigation;
- Exotic crops have been added to indigenous crops;
- Climate research;
- Plant research.

2.3.2 Factors hindering agriculture

- Only 7% of land is arable;
- Insufficient rain;
- Unreliable rainfall;
- Soils are poor with little humus;
- Elimination of agricultural subsidies have forced farms to stop operating;
- Bad farming practices:
 - Mono culture
 - Inadequate fallowing
 - Growing wrong crops
 - Overuse of fuel wood
 - Soil compaction
 - Over use of fertiliser
 - overgrazing
 - intensive tillage
 - overpopulation
 - deliberate burning
 - soil-acidification
- Soil erosion.

2.4 The importance of food security in South Africa

Food insecurity leads to:

- Hunger
- Under-nutrition

Complete Activity 9 and 10 pages 263,264.

3. MINING

3.1 CONTRIBUTION OF MINING TO SOUTH AFRICAN ECONOMY

- 9,6% to GDP contribution;
- multiplier effect in transport = 18% to GDP;
- workforce employed plus families they support;
- pays taxes
 - Study Table on page 266 in textbook.

3.2 FACTORS THAT FAVOUR AND HINDER MINING IN SOUTH AFRICA

3.2.1 Factors that favour mining in SA

- Huge resources to mine;
- Wide range of minerals;
- Thick continuous mineral seams;
- Near the surface;
- Low thermal gradient = less cost to pump cool air in;
- Location is fortunate;
- Capital **WAS** available;
- Coal available for energy (????)
- Low paid labour;
- Government aid available to help small-scale independent miners to run mines safely and profitable.

3.2.2 Factors that hinder mining in SA

- Fluctuation in rand exchange rates;
 - Underground water is dangerous;
 - Labour costs have risen steeply;
 - Environmental concerns (sink holes, pollution);
 - Mines are far inland – transport to harbours.
 - Mineral rights in SA all to the Government
 - Impact of HIV/AIDS and lung disease (TB)
-

4. SECONDARY AND TERTIARY SECTORS

4.1 CONTRIBUTION OF SECONDARY AND TERTIARY SECTORS TO SOUTH AFRICA'S ECONOMY

4.1.1 Secondary sectors

The secondary sector includes manufacturing, construction and utilities.

- **Manufacturing:** the conversion of raw materials into fabricated products; and the assembly of items.
- **Mass production:** the making of large quantities of identical articles by standard mechanised processes.

It is an important activity because:

- Turns raw materials into usable goods;
- Increase the value of raw materials;
- Employs more than any other economic activity.

4.2 TYPES OF INDUSTRIES

- **Heavy industries:** involves processing large masses of materials and large-scale production of materials. Heavy industries require large areas and may emit much waste.
- **Light industries:** small amounts of material per worker to make articles of relative small bulk (clothes, TV's).
- **Raw-material-orientated industry:** an industry is set up near to the source of main raw material. This is done to reduce expensive transport costs and to avoid deterioration of the raw material.
- **Market-orientated industry:** some factories are placed close to where the buyers of their products are. The influence of the market is strong where:
 - Fresh manufacturers (bread)
 - "weight-gaining" industry
 - Expensive to transport (big machines).
- **Footloose industries:** are industries that are not tied to specific location in a country.
- **Ubiquitous industries:** are the type of factories that are in almost every town (bakeries, carpentry, dress-making).
- **Bridge industries:** are industries that are set up at break of bulk points (ports).

4.3 **FACTORS INFLUENCING INDUSTRIAL DEVELOPMENT IN SOUTH AFRICA.**

Many factors influence industrial location:

- Raw materials
- Labour supply
- Link industries
- Water
- Land
- Trade
- energy
- markets
- transport infrastructure
- capital
- Government assistance
- competition

4.4 **SOUTH AFRICA'S INDUSTRIAL REGIONS**

4.4.1 **The PWV complex of Gauteng**

- ***Factors influencing the location and development of manufacturing in this region:***
 - Gold
 - People
 - Markets
 - Transport
 - Water
 - Raw materials
 - Energy
 - Labour
 - Capital
- ***Main industrial activities:***
 - Chemical industries
 - Metal products
 - Motor vehicles
 - Food and beverages
 - Iron and steel

4.4.2 **The eThekweni metropolitan region (Durban-Pinetown)**

- ***Factors influencing the development of manufacturing in the region:***
 - Port situation
 - Resources
 - Energy
 - Markets
 - Labour
 - Water
 - Relief
- ***Manufacturing industries found in this region:***
 - Food
 - Motor manufacturing
 - Rayon
 - Light industries
 - Sugar refining
 - Oil refining
 - Chemicals

4.4.3 **The southwestern Cape region**

- ***Factors influencing industrial development in this region:***
 - Historical factors
 - Raw materials
 - Energy
 - Markets
 - Labour
 - Water
 - Transport

6.

- **Manufacturing industries found in this region**
 - Clothing and footwear
 - Fish canning/packaging
 - Link industries
 - Food processing
 - Hi-tech manufacturing
 - Petroleum refining

4.4.4 The Nelson Mandela metropolitan region(PE-Uitenhage region)

- **Manufacturing industries found in this region:**
 - Motor vehicles
 - Textiles
 - Leather goods
 - **Factors favouring manufacturing in this region:**
 - Location, close for export as well;
 - Water supply sufficient;
 - Port facilities;
 - Equalised rail tariffs
 - Labour;
 - COEGA project: when complete it will be centred on a new metal-processing plant and on a new metal-processing;
 - **Factors obstructing manufacturing in this region:**
 - Location not close to main consuming area;
 - Labour costs higher than in Asia and Europe;
 - Strikes disrupts reliable supply.
-

5. STRATEGIES FOR INDUSTRIAL DEVELOPMENT

5.1 APARTHEID AND POST-APARTHEID INDUSTRIAL DEVELOPMENT

5.1.1 Apartheid industrial development strategies

From 1960's the strategies had the following intentions:

- Provide employment in or just outside the borders of the new homelands;
- To help the poorest parts of SA to develop economically by opening factories in or near the homelands;
- To define a white SA as distinct from the ten self-governing homelands.

These development plans involved the following initiatives:

- Industrial development points that would be developed in such a way that black people would find them as attractive as the big metropolitan areas in SA;
- Regional deconcentration points: areas close to the metropolitan areas towards which future industrial growth could be developed to reduce overconcentration;
- Metropolitan areas: existing cities.

Government offered incentives to private enterprises to win their co-operation with these strategies – these incentives were:

- Financial help with land and buildings;
- Rail rebate
- Wage subsidies
- Electricity subsidies
- Preference on government tenders.
- tax rebate
- relocation allowances
- training grants

Strategies of this kind were unsuccessful because:

- Few mineral resources
- Agriculture hampered
- Abuse of incentives.
- education suffered
- less jobs available

5.1.2 Post-apartheid industrial development strategies.

- Improve water supply to rural areas;
- New jobs (8300) in water supply programme;
- 400 000 houses were provided.

5.2 **CONCEPT OF INDUSTRIAL DEVELOPMENT ZONES (IDZ's)**

Study Figure 5.82 for IDZs and SDIs.

Define IDZs and SDIs.

Study Table page 295 and read Case studies p 296 – 300.

6. THE INFORMAL SECTOR

6.1 CONCEPT OF INFORMAL SECTOR EMPLOYMENT AND CHARACTERISTICS

Informal sector: types of employment where people have had to find work for themselves on the streets or in small home workshops.

All developing countries have a large informal sector.

What is life like for people in the informal sector:

- Self-employed;
- Involve other family members;
- Uncertain wages and working hours;
- Involve selling of goods;
- Capital use is low;
- Profit margins are small.

6.2 REASINS FOR HIGH INFORMAL SECTOR EMPLOYMENT IN SOUTH AFRICA

- High unemployment rates in formal sector;
- Some people stopped working in formal sector due to:
 - Caring for their own children;
 - Pregnancy;
 - Going to school or college;
 - Changing residence;
 - Retirement.

6.3 CHALLENGES FACING SOUTH AFRICA'S INFORMAL SECTOR

- Difficult to access informal sector;
- Competition is increasing;
- Poverty increasing;
- Government funding under stress.

Additional activities to be completed:

- | | |
|---------------------------------|---------------------------------|
| - <i>Act 8 page 260</i> | - <i>Act 13 page 269</i> |
| - <i>Act 14 page 272</i> | - <i>Act 18 page 281</i> |
| - <i>Act 21 page 290</i> | - <i>Act 27 page 304</i> |

Complete Exam practice page 307.