



JENN

Training and Consultancy

The path to enlightened education

GEOGRAPHY

GRADE 12

PAPER 2

WINTER 2026

TEACHER AND LEARNER MATERIAL MANUAL

TOPICS

1. STUDY OF SETTLEMENTS

**2. SITE; SITUATION; PATTERNS
AND SHAPE OF RURAL
SETTLEMENTS**

**3. RURAL URBAN MIGRATION
AND RURAL DEPOPULATION**

**4. SOCIAL JUSTICE ISSUES IN
RURAL SETTLEMENTS**

**5. Origin and development
of settlements**

**6. Classification of urban
settlements according to
function.**

7. Urban hierarchies

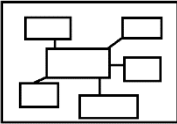
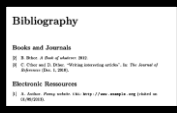
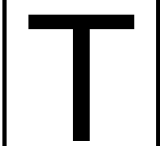
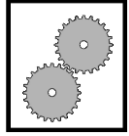
8. Land-use zones

9. Urban structure/urban

10. Models of urban structure

11. Urban settlement issues

12. Informal settlements

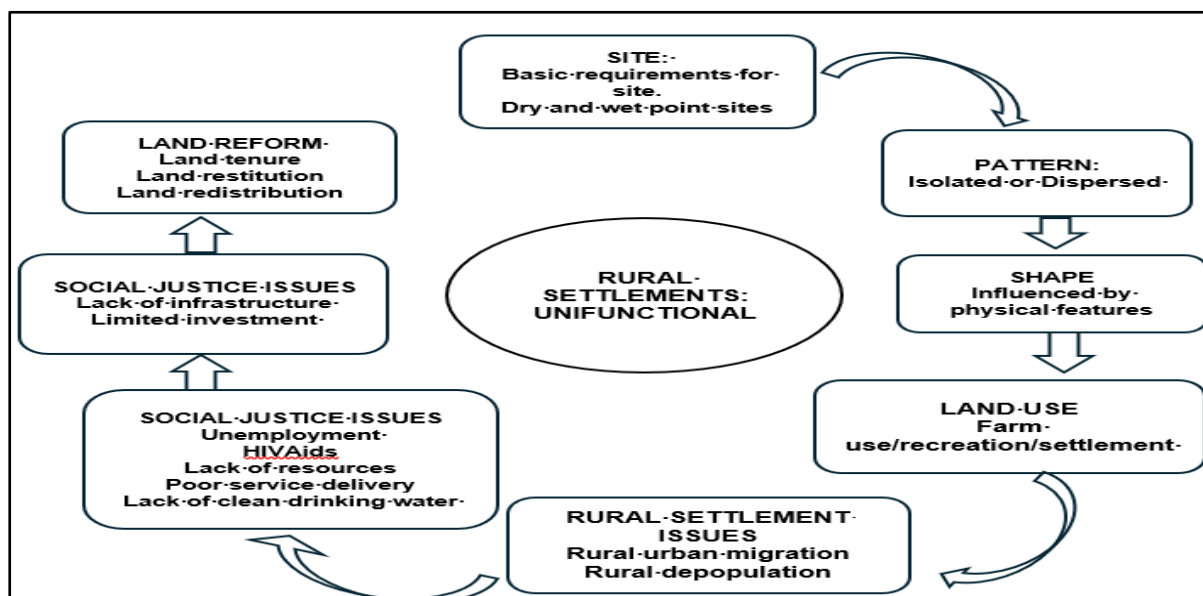
 MIND MAP	 EXAMINATION GUIDELINE	 CONTENTS	 ACTIVITIES
 BIBLIOGRAPHY	 TERMINOLOGY	 WORKED EXAMPLES	 STEPS

CONTENTS

PAGE

Rural Settlements	5
Rural Settlements Concepts	6 -7
Study Of Settlements	18-16
Rural Settlements Activities	17-22
Urban Settlements	23
Urban Settlements Terminology	24
Urban Settlement Notes	25-60
Economic Geography	62
Economic Geography Terminology	63-66
Economic Geography Notes	67

MIND MAP



TERM	DESCRIPTION
Agrarian	To do with agriculture
Agro-processing	Turning primary agricultural products into other commodities for market
Anomaly	Those that do not fit into the regular examples
Apartheid	An Afrikaans word for a political policy or system of racial segregation enforced through legislation by the National Party governments from 1948-1994
Aquaculture	Fish farming of aquatic organisms in fresh or salt water
Beneficiary	A person or group that gain from a process
Betterment planning	An apartheid policy which aimed to regulate and control land use in the homelands. Traditional villages were reduced in size and specific residential,
Buffer zone	An area or structure in an apartheid city that separates the residential zones of different race groups – separating two or more land-use zones
CBD (Central business district)	The main commercial zone of a city, usually located in a central position
City	A large urban centre that offers specialised services
Claim dispute	Arguments over land claims
Clustered	Same as nucleated
Commercial farming	Large-scale production of crops for sale
Compensation	Something that is awarded to someone to make up for a loss
Complexity	The number of elements or components that occur in a settlement
Concentric zone model	The city is divided into concentric rings around the CBD
Densification	The increased use of space both horizontally and vertically in urban areas - it leads to a greater number of residential units and increased population density.
Dispersed	Spread out over a large area
Dispersed settlement	A settlement of many scattered houses that are within sight distance of one another, but that are also far enough apart to allow room for farming or other activities
Dry point settlement	Found in an area of abundant water supply but too much water may be a threat, therefore people will live in higher lying areas to avoid areas that are prone to flooding
Ecological footprint	The impact that the city has on the planet
Economic activities	Activities that involve the production, distribution and consumption of goods
Economically active	People who are above a certain age, who could work; in practice, they may
Counter-urbanisation	This is a reverse trend to urbanisation where people move back to rural areas to escape the city rush and lifestyle and the associated crime
Expropriation	The forced confiscation and redistribution of private property
Forced removals	An apartheid policy that forced millions of South Africans to move from their homes and re-settle into specific areas based on race
Ghost town	An abandoned town - the population leaves because the economic activity that supported it has failed
Hamlet	a small grouping of a few farmsteads that may have its own church but does not have any shops or services
Infrastructure	Refers to road, rail, air links, power supply, sewage, telephone links and other basic services
intensive farming	type of commercial farming where the output (yield per hectare) and the labour input is high in relation to the size of the farm
isolated farmstead	a settlement which consists of a few buildings and one or two families
land restitution	land is restored to its original owners (individuals, communities or tribes)
mechanisation	The use of machines to replace human labour
mixed farming	a combination of crop/s and stock farming

monoculture	the practise of producing only one type of crop
nucleated settlement	a settlement where houses/buildings are close together/grouped together
pull factors	positive elements that occur in an area that attract people to move there – pleasant factors which attract people
push factors	negative elements that occur in an area; they encourage movement out of the area - unpleasant factors causing migration
village	a fairly large nucleated rural settlement that provides a few basic services
willing seller/willing buyer	both the seller and the buyer of the land agree to the sale of terms

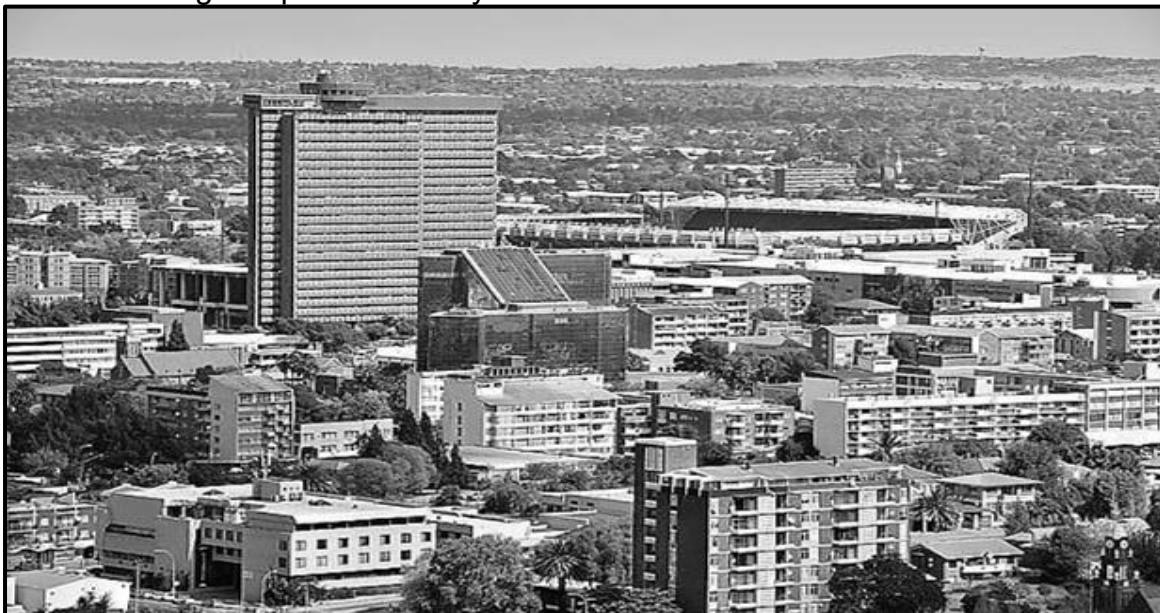
Exam guidelines and Outcomes:

- **Definitions of: settlements; site; situation.**
- **Differences between rural and urban settlements**
- **Classification of settlements according to:**
 - a. **Size and complexity**
 - b. **Pattern**
 - c. **Function**



What is a settlement?

- A settlement is a grouping of people, buildings, communication networks and activities all functioning as a single unified system on a daily basis
- It is a place where people live.
- Buildings help us to identify where settlements are located.



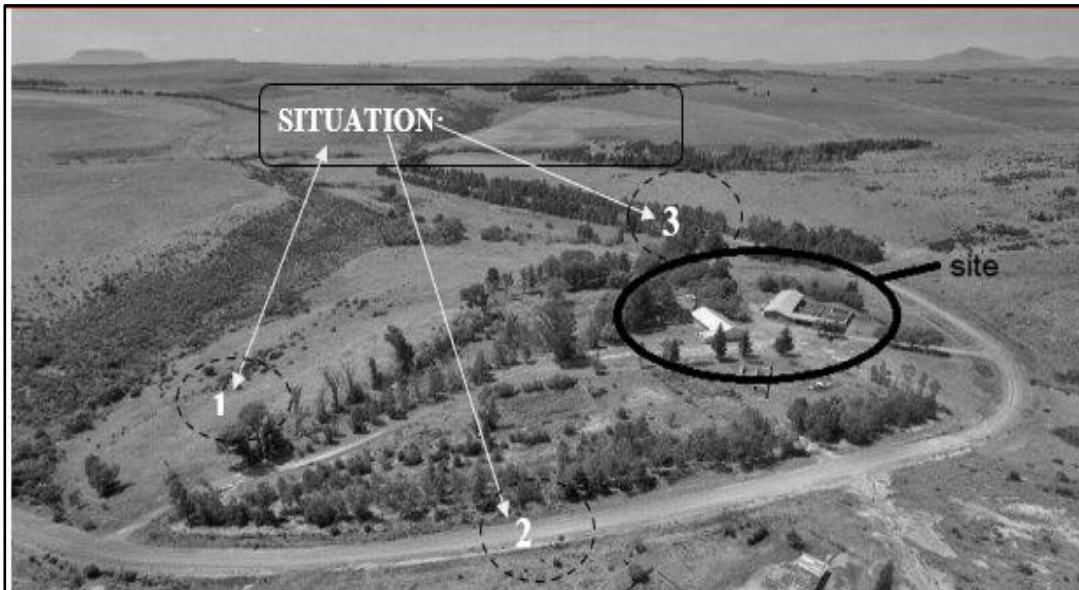
www.frontiercoffee.co.za

Site.

- The **actual/exact** piece of land occupied by a settlement.
- It is where the settlement is built.
- An example of a site is the land you buy where your new house will sit.

Situation:

- The situation is the location of a settlement in relation to the things that are around it.
- It is the description of the settlement in relation to physical features around it.



www.privateproperty.co.za

Site

Exact piece of land occupied by the settlement.

Situation

Description in relation to physical features

1. Next to flat land
2. Next to a road
3. There is a row of trees

CLASSIFICATION OF SETTLEMENTS

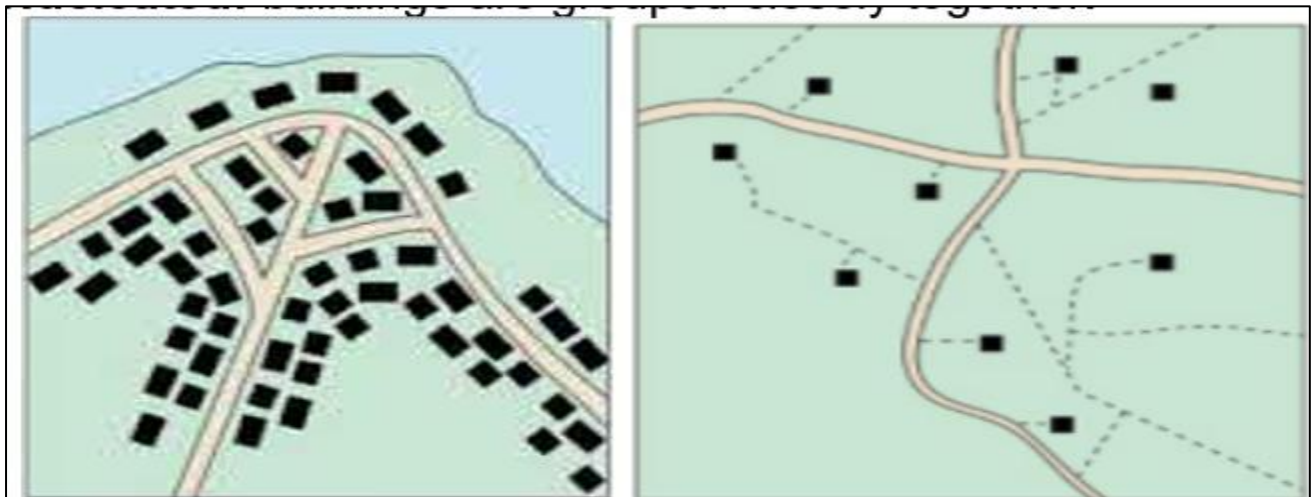
1.1 Size and Complexity:



1.2 Pattern:

Dispersed: buildings are located far from each other.

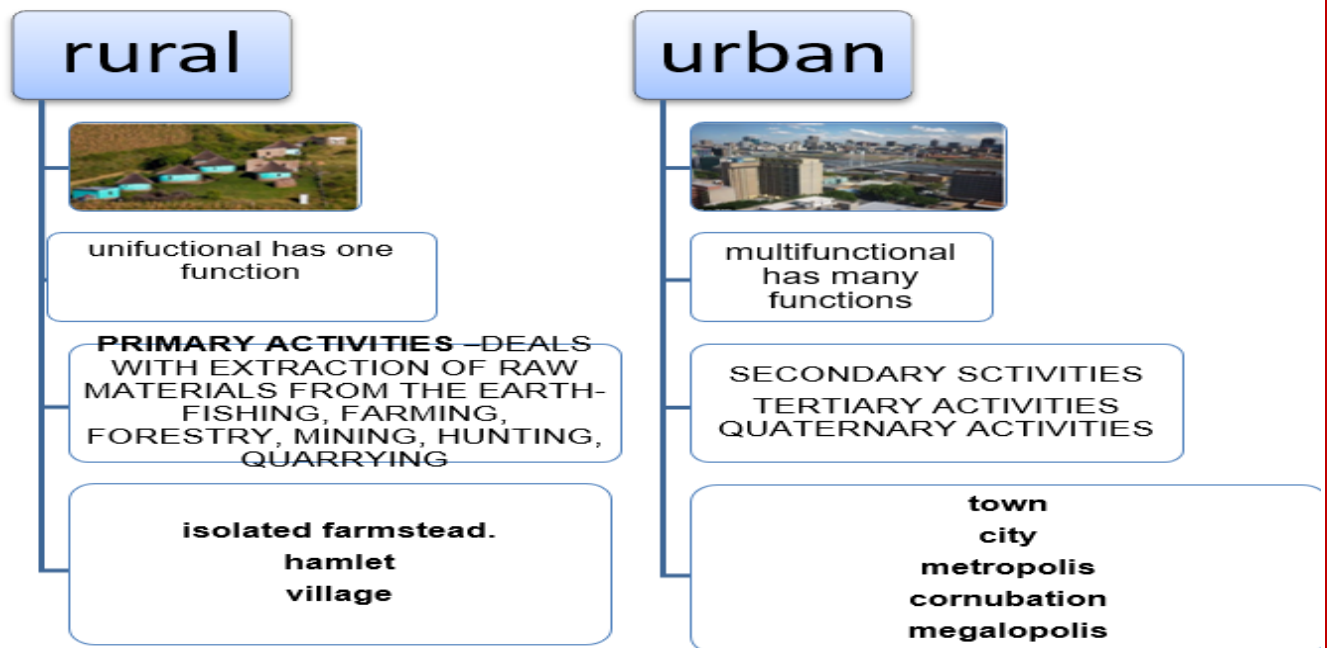
Nucleated: buildings are grouped closely together.



Nucleated

Dispersed

1.3 Rural or Urban



The function of settlements determines whether they are rural or urban.

Rural Settlements are **unifunctional**. They practice **one function** which is provision of **Primary activities**.

Urban Settlements are **multifunctional**. They practice **many functions** which are secondary and tertiary activities.

Rural Settlements

- How site and situation affect the location of rural settlements
- Classification of rural settlements according to:
 - Pattern
 - Identification of different patterns
 - Advantages and disadvantages
 - Function
 - Identification and reasons for different shapes of rural settlements.
 - Land use in rural settlements
 - Identification of land use: farming, forestry and conservation



2.1.1 Factors influencing the choice of site in Rural Settlements.

There are many reasons why a site might be chosen for the development of a settlement, and some factors will be more important than others.

Some common site factors include:

- Availability of water
- Defensive sites
- Grazing land

- Arable land
- Building materials
- Level ground

SITUATION:

The position of the settlement in relation to the surrounding environment.

Here we consider:

- The general relief (e.g. valley, mountain etc.)
- Soil fertility
- Aspect - settlements are often found on the sunny side of a deep valley.
- Shelter - from cold prevailing winds and rain.
- Transport routes - often settlements grow where natural route ways and rivers meet, which helps the development of roads, railways and canals.

Wet point sites:

settlement site that is located near a source of water, such as a river, spring, or lake, in an area where water is scarce

Dry point sites -

a settlement location that is chosen to avoid potential flooding or other water-related hazards.

It's typically situated on higher ground, away from major water sources, in areas where water might be abundant but poses a threat.

The importance of many of these functions diminishes as technological advances enable people to overcome difficulties.

2.1.2 Rural settlements patterns.

Nucleated



- Small patches of land
- Foreman manages
- No independent decisions
- Lives in village
- Lots of travelling
- Mechanisation difficult

Dispersed



- Large single farm
- Manages farm himself
- Independent decisions
- Lives on farm
- No travelling
- Mechanisation easy

- Subsistence farms
- Small scale farming
- Village
- Commercial farms
- Large scale farming
- Isolated farmstead

2.1.3 Rural settlement shapes

Shapes of settlements are a result of a physical feature around or along which buildings are arranged.

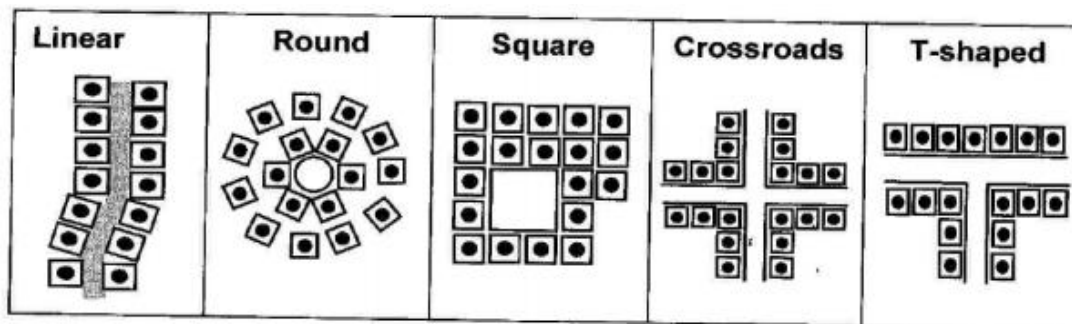
Round – develop around a marketplace or some shared / communal land

Linear – develops along rivers, roads, coastlines, railways or in thermal belts in valleys.

Cross roads– settlement develop in the form a cross to allow every one access to the road.

T-shape - settlement develops in the form a T along a road junction to allow everyone access to the road.

Star-shaped – many roads connect, and the settlement spread out along these roads.



2.1.4 Land use in rural areas

Land use is a term to describe what happens on a parcel of land.

Conservation areas where the natural vegetation and habitat is conserved with the animals of the areas

Recreation areas –ecotourism, flying / landing strips

plantations / forestry

farm workers housing

rural –urban fringe activities: airports, waterworks, waste dumps, sewage works, informal settlements and market gardens

reservoirs, irrigation, fishing, hydro-electric power plants

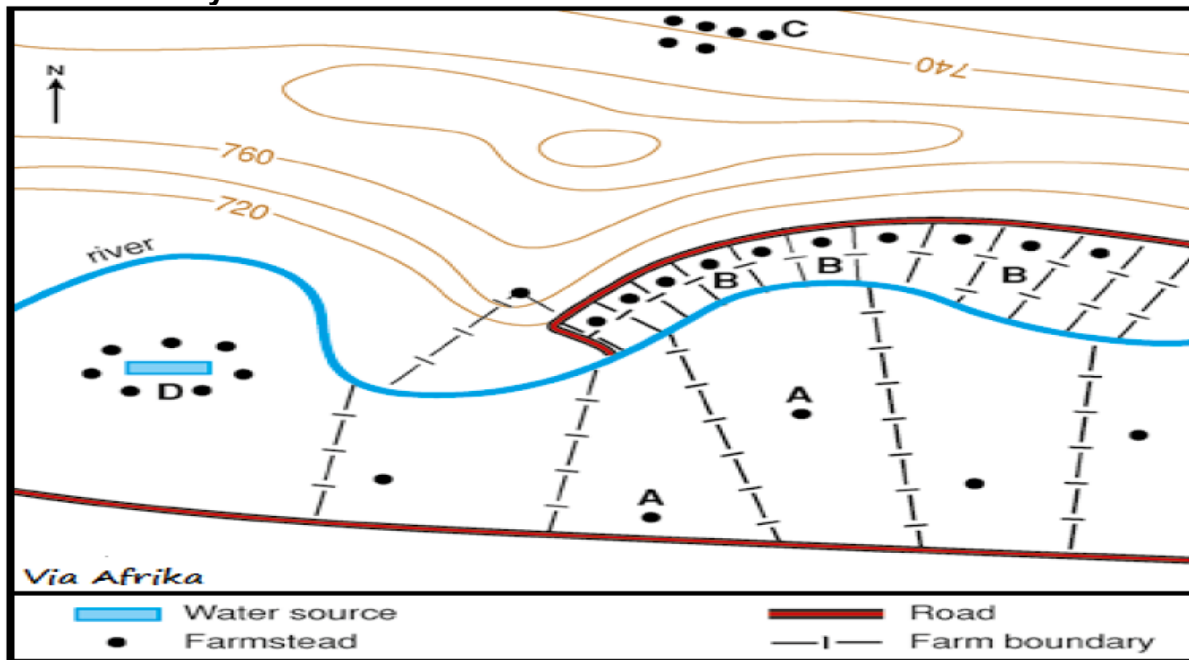
hazardous activities (far from large groups of people) toxic

industries, nuclear power stations, military camps and security

areas, rubbish dumps

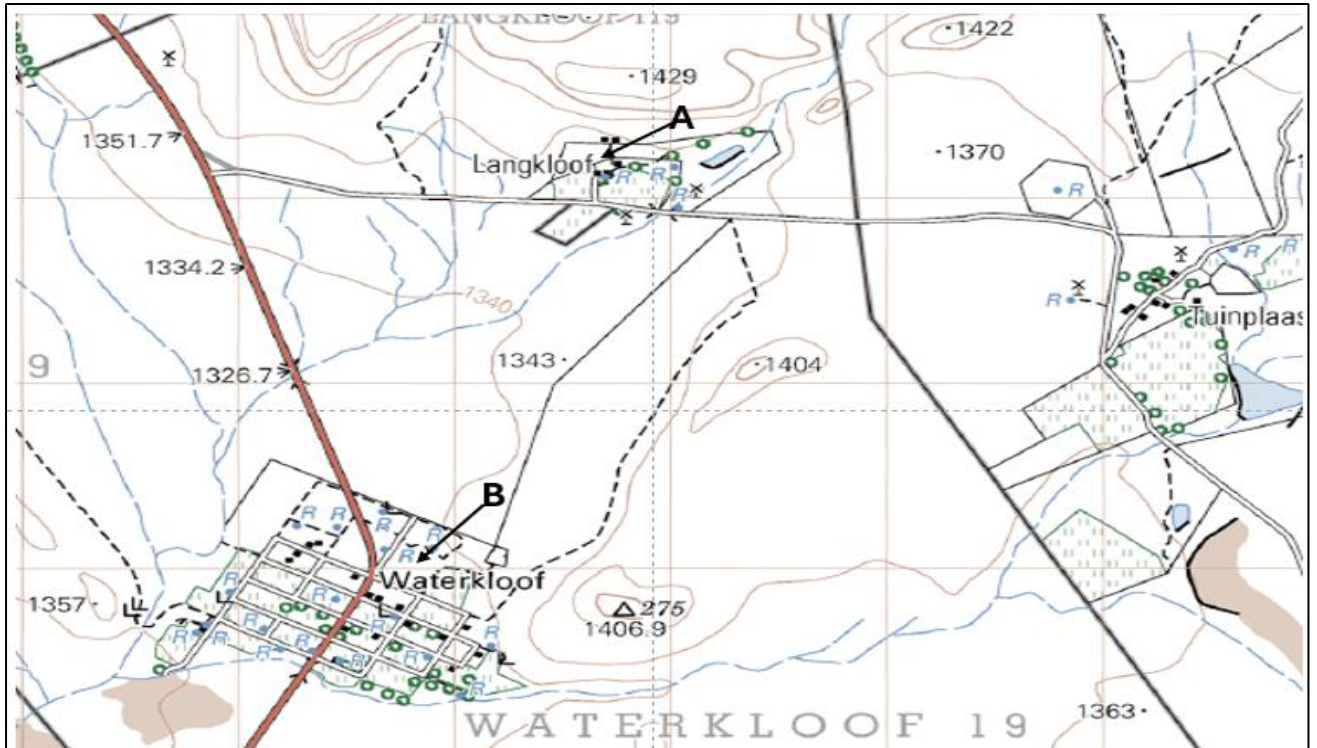
farming (crop or stock)

Activity 1



- 1.1.1 Identify the settlement patterns at **A** and **D**. (2x1) (2)
- 1.1.2 What types of settlements are at **A** and **B**? (2x1) (2)
- 1.1.3 Differentiate between settlements **C** and **D**. (2x2) (4)
- 1.1.4 How is the shape of the settlement at **B**. (1x2) (4)
- 1.1.5 List three factors that could have influenced the choice of site for settlements at **A**. (3x1) (3)

Activity 2



Extract from 3025 AD Phillipolis

2.1.1 Refer to the settlements Langkloof **(A)** and Waterkloof **(B)**

- Identify the patterns of both settlements. (2x1) (2)
- Provide evidence from the map that shows that Langkloof is a wet point settlement. (2x1) (2)
- Explain factors that influenced the choice of site for the settlement at B? (2x2) (4)

2.1.2 What is the significance of windmills that shown on the map? (1x2) (2)

2.1.3 Calculate the gradient between spot height 404 and trig beacon 275. Show all calculations. (5x1) (5)

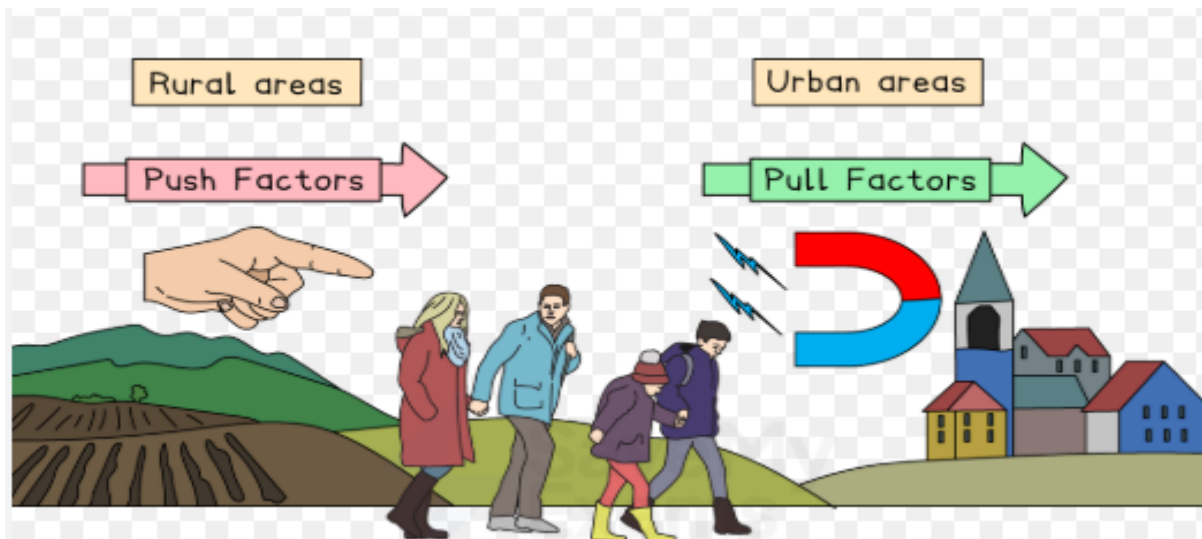
2.2 Rural Settlement Issues

- **Concept of rural-urban migration** (definition and application)
Push and pull factors
- **Definition of rural depopulation:**
Causes and consequences of rural depopulation on people and the economy
- **Strategies to address rural depopulation**
Case study that illustrates effects of rural depopulation and strategies to address them
- **Social justice issues associated with rural settlements:**
Definition, purpose, challenges in implementation, success stories and impact on communities
Access to resources (natural: water and human-made: limited investment and lack of infrastructure)
Land reform (land tenure, redistribution and restitution)



Rural-Urban Migration

Movement of people from rural areas to urban areas.



Push factors: negative factors that cause people to leave rural areas.

Natural disasters such as floods and droughts in rural areas
Lack of services in rural areas
Poor infrastructure in rural areas
Lack of jobs (employment) and low salary on farms
Lack of entertainment in rural areas
Crime in rural areas

Pull factors: positive factors that attract people to urban areas

Higher paying jobs (employment)
Better housing and services
Higher standard of living
Better social life (entertainment)
Better education
Availability of jobs

2.2.2 Rural Depopulation:

The decline in the number of the rural population is a result of rural urban migration.

Consequences of rural depopulation on people and the economy in rural areas.

- young adults move away and more so young men
- elderly, women and children are left behind
- productivity in rural areas drop
- income declines
- services close down as they are not supported anymore
- poverty increases
- more people leave the rural areas
- displacement of families and social problems
- half empty schools

Consequences of rural depopulation on people and the economy in urban areas.

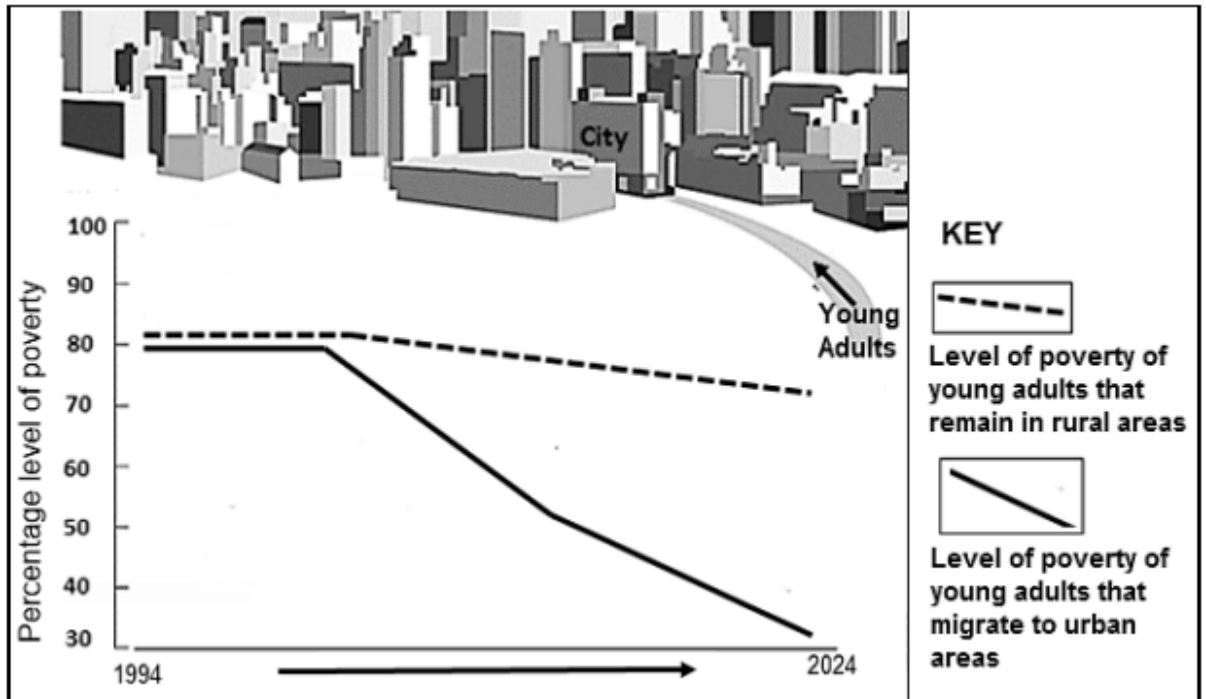
- crime increases
- overcrowding in urban areas
- provision of services cannot cater for the increasing urban population
- schools overcrowded.
- land grabs due to shortage of space.
- growth of informal settlements
- few employment opportunities
- traffic problems

Strategies to address rural depopulation

- Job creation projects in rural areas
- decentralisation of industries from urban areas
- development corridors
- improved basic services in rural areas
- skills development in rural areas
- farming related industries in rural area
- improved transport, health, education services
- retirement villages in rural towns to attract people there
- incentives for professionals and employers to settle in rural areas
- development of eco-tourism through conservation of natural habitats and thus creating income opportunities for the local population

ACTIVITY 3

Refer to the sketch and graph below showing the levels of poverty caused by rural-urban migration.



[Adapted from *Mail and Guardian*]

DBE 2024

- | | | | |
|-------|---|-------|-----|
| 3.1.1 | Define the term rural-urban migration. | (1x2) | (2) |
| 3.1.2 | According to the graph, the percentage level of poverty decreased by a smaller amount in (rural/urban) areas. | (1x1) | (1) |
| 3.1.3 | How has unemployment contributed to this trend in poverty levels (answer to QUESTION 1.3.2)? | (1x2) | (2) |
| 3.1.4 | How does the movement of young adults to urban areas have a negative social impact on the rural community? | (2x2) | (2) |
| 3.1.5 | Suggest strategies that can be introduced in rural areas to reduce the movement of young adults to urban areas. | (3x2) | (6) |

2.3.1 Social justice issues associated with rural settlements.

Social justice is the view that everyone deserves equal economic, political and social rights and opportunities.

According to South African Government Information the challenges in rural areas in South Africa include:

- an unsustainable use of natural resources
- inadequate access to socio-economic and cultural infrastructure and services
- a lack of access to water for both households and agricultural developments
- a low literacy rate and skills levels
- migratory labor practices
- a decay of the social fabric
- an abundance of unexploited opportunities in many economic sectors
- high unemployment
- Due to the legacy of past policies, such as the former homelands system, rural South Africa has high-density population areas and dislocated settlement where residents live in abject poverty.
- The past injustices impede efforts of the rural people to maintain intact families and ensure a livelihood for themselves.
- Rural areas in South Africa have been experiencing economic and social decay over the past decades due to urban migration.
- Rural areas are also plagued with a lack of education and skills which makes the challenge of finding adequate employment even harder.
- HIV/AIDS poses and extensive challenge to rural development in South Africa because it impacts on a range of developmental factors.
- Rural areas are generally less equipped with resources to address this challenge, increasing the vulnerability of households.

Measures that can be implemented to develop rural areas

- Institutional development to help rural people set the priorities in their own communities and access funds to plan and implement local economic development.
- Investment in basic infrastructure and social services.
- Improvement in income and employment opportunities and a broadened access to natural resources.
- Establishment of periodic markets to restore basic economic rights to marginalized rural areas.
- Conservation of resources.
- Increased justice, equity and security.

2.3.2 LAND REFORM



www.landreformfutures.org

Equitable distribution of landownership by changing laws about ownership of land

Land reform is necessary in South Africa inequalities exist due to apartheid legislation of the past which prevented all people to own land

Land redistribution – some agricultural land must be bought and given to black owners by the state

Land restitution – return of land to people who fell victim to forced removals

Land tenure reform – to secure the residential rights of people living in farms.

CHALLENGES WITH LAND REFORM

- Willing buyer, willing seller causes delays
- it is very costly to buy land from those willing to sell
- takes time to resolve disputes
- grey areas in land reform policies
- disagreement between government and traditional leaders
- land redistributed to those who have no interest or knowledge of farming
- move from subsistence to commercial farming has not occurred
- land reform has not stimulated the economic growth of rural areas
- the process is very slow

ACTIVITY 5

Refer to the newspaper extract below:

Rural areas in seven provinces most affected by the water crisis

Published Aug 3, 2022



Durban — Mostly rural areas in KwaZulu-Natal, the Eastern Cape, Limpopo, Mpumalanga, North West, Free State and the Northern Cape were areas experiencing water shortages.

"Areas experiencing water shortages are mostly rural areas in the provinces of the Eastern Cape, Limpopo, Mpumalanga, North West, KwaZulu-Natal, Free State and the Northern Cape," Mchunu said.

He said that, additionally, 32% of households in South Africa do not have access to a reliable service due to dilapidated infrastructure as well as lack of proper operations and maintenance of existing infrastructure, which results in disruptions and shortage of water supply.

"Access to sanitation services is less than 85% in six provinces, including in the Free State (82.3%), KZN (80.9%), Limpopo (63.7%), North West (68.8%), Mpumalanga (63.7%), and Northern Cape (83.9%). Access in the provinces of Limpopo, Mpumalanga and North West are below the national average at 82.1%. In the efforts to remedy these challenges, the DWS will be submitting a National Sanitation Framework to Cabinet for approval," Mchunu said.

www.iol.co.za

- 5.1.1 Identify the social injustice issue in the extract. (1x1) (1)
- 5.1.2 What according to the extract above are the factors causing shortages of water in rural settlement of South Africa? (2x1) (2)
- 5.1.3 Provide a reason why the Gauteng Province is not listed as one of the affected areas in the extract. (1x2) (2)
- 5.1.4 Discuss how the problem in the article will have an impact on the lives of the rural people? (2x2) (4)
- 5.1.5 Suggest strategies that could be implemented in rural areas to solve the problem mentioned in the article. (3x2) (6)

ACTIVITY 6

Refer to the sources below on land reform in South Africa.

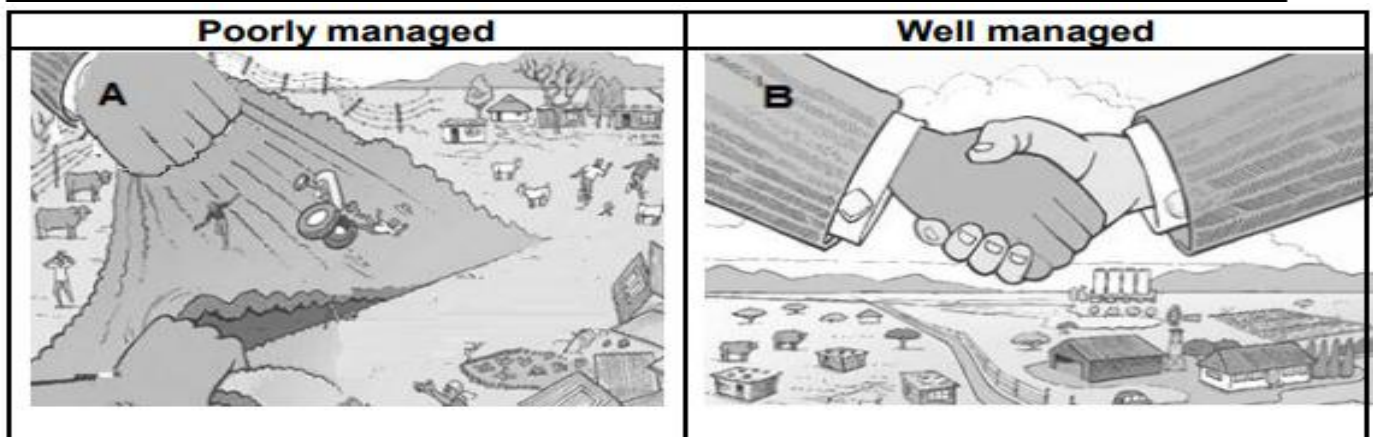
A FRESH APPROACH TO LAND REFORM

South Africa currently faces a problem as the process of land reform has advanced too slowly and much of the land that has been transferred has become economically inactive.

Conflicting (different) views cause South Africans to have questions about land reform. What is the future of land reform in South Africa? Can the process be accelerated? Will it produce equal outcomes? Whose interests will be served?

At a South African agricultural congress, a panel discussion on the future of land reform agreed that, when it comes to successful land reform, intense negotiations and compromises are necessary. This is in keeping with the three pillars of land reform, namely redistribution, tenure and restitution. Land restitution provides a challenge as funding needs to be allocated to compensate dispossessed communities for land previously lost. Well-managed land reform can create assets for the poor, stabilise relationships and promote development. On the other hand, if it is poorly managed, it destroys assets, causes poverty to communities and weakens the economy.

[Adapted from <http://www.landreformfutures.org/>]

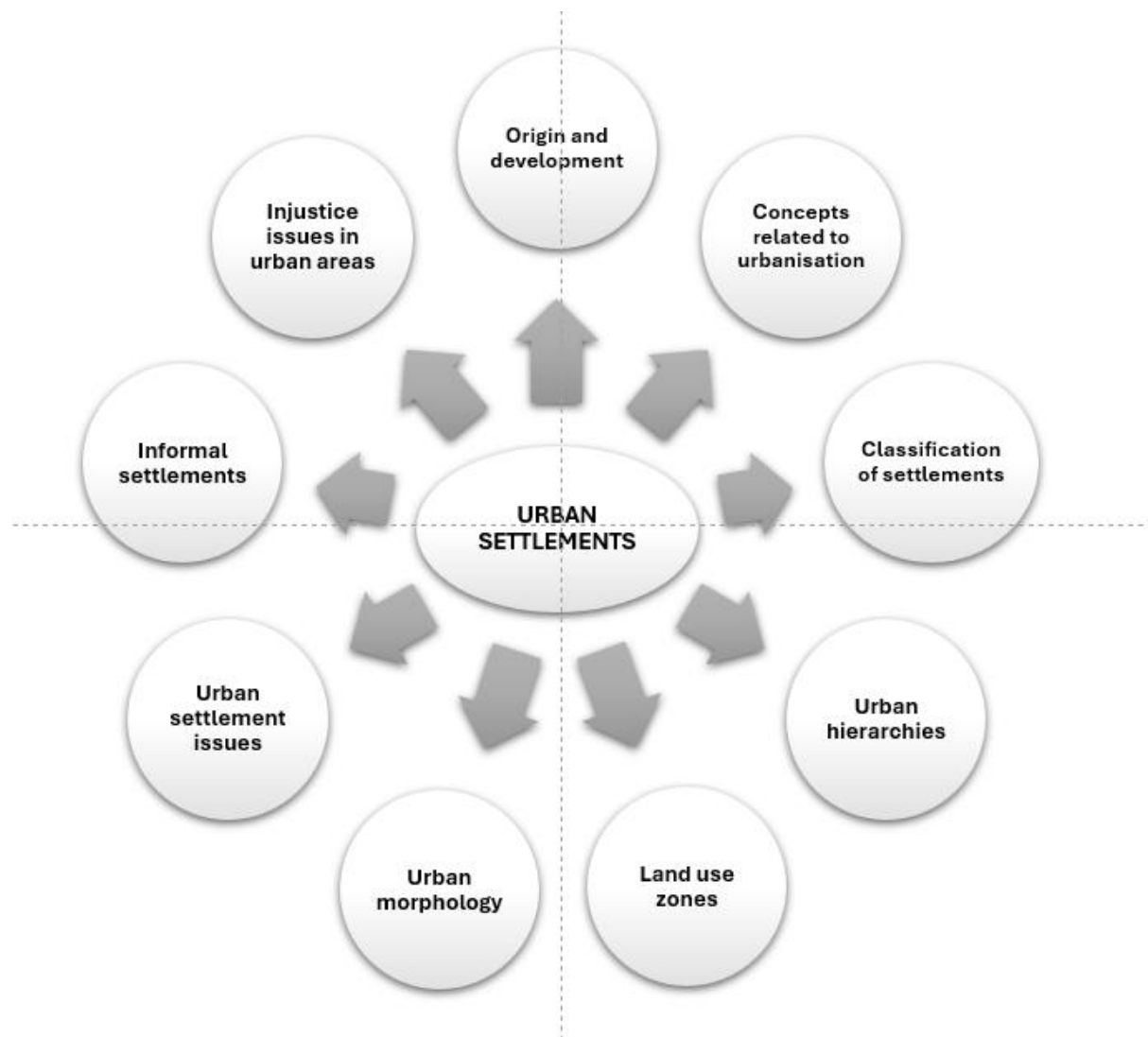


[Adapted from <http://www.landreformfutures.org/>]

- | | | | |
|-------|--|-------|-----|
| 6.1.1 | What is land reform? | (1x2) | (2) |
| 6.1.2 | According to the extract, what is the benefit of well-managed land reform? | (1x1) | (1) |
| 6.1.3 | a) Why is land restitution considered a challenge? | (1x2) | (2) |
| | b) How does B illustrate the successful process of land restitution? | (1x2) | (2) |
| 6.1.4 | Which factors have caused the 'process of land reform' to advance too slowly? | (2x2) | (4) |
| 6.1.5 | Explain the social benefits of well-managed land reform for people living in rural areas | (2x2) | (4) |

URBAN SETTLEMENTS

MIND MAP



URBAN SETTLEMENTS

T

TERM	DESCRIPTION
Central business district (CBD)	The area of a city where retail and office activities are clustered.
gentrification	the rehabilitation of deteriorated, often abandoned, housing of low-income inner-city residents.
urban sprawl	unrestricted growth in urban areas of housing, commercial development, and roads over large expanses of land, with little concern for urban planning
Decentralisation	The process of dispersing decision-making outwards from the center of authority.
Greenbelt	A ring of land maintained as parks, agriculture, or other types of open space to limit the sprawl of an urban area.
Invasion and succession	Process by which new immigrants to a city move to dominate or take over areas or neighborhoods occupied by older immigrant groups.
Office park	Agglomeration of office buildings with facilities established for infrastructure to enhance the possibility of business success.
Street pattern	Way in which streets are designed;
buffer zone	an area or structure in an apartheid city that separates the residential zones of different race groups – separating two or more land-use zones
convenience goods	also called lower order goods - they are relatively cheap, easy to obtain and required on a regular/daily basis such as bread and milk
counter-urbanisation	this is a reverse trend to urbanisation where people move back to rural areas to escape the city rush and lifestyle and the associated crime
densification	the increased use of space both horizontally and vertically in urban areas - it leads to a greater number of residential units and increased population density.
edge city	a large commercial centre on the outskirts of a city offering a mixture of employment, shopping, entertainment and residential functions
enclosed neighbourhood	an established residential area with roads that have gates to control the movement of traffic and people into and out of the area. Many roads are permanently closed off to limit access to the area
Hierarchy	a series of levels or orders – each level will perform a similar set of functions but each level will be ranked one above the other
informal settlement	an illegal spontaneous settlement that lacks proper services and infrastructure. They are also called barrios, slums, favelas, squatter camps and shantytowns
Infrastructure	Refers to road, rail, air links, power supply, sewage, telephone links and other basic services
land use model	a simplified or generalised version of the layout of urban areas
Land-use zone	An area with a specific function, for example - residential
lower order centre	urban centres which offer only lower order goods
OBD (outlying business district)	a commercial zone that is situated in the suburbs
Range	the distance that people will travel to buy particular goods or services
rural-urban fringe	the transition zone between a city and its suburbs and the rural area
sphere of influence	the area from which a business, service or settlement draws its customers

Examination guidelines



The origin and development of urban settlements

- Urbanisation of the world population
- Concepts (definition, identification and application) of:
 - Urbanisation
 - Urban growth
 - Urban expansion
 - Urban sprawl
- Rate of urbanisation
- Level of urbanisation
- Counter-urbanisation



The origin and development of urban settlements

1.1 Urbanisation of the world

Why did cities form in the first place?

Agriculture is believed to be a pre-requisite for cities, which help preserve surplus production and create economies of scale. The conventional view holds that cities first formed after the Neolithic Revolution, with the spread of agriculture.

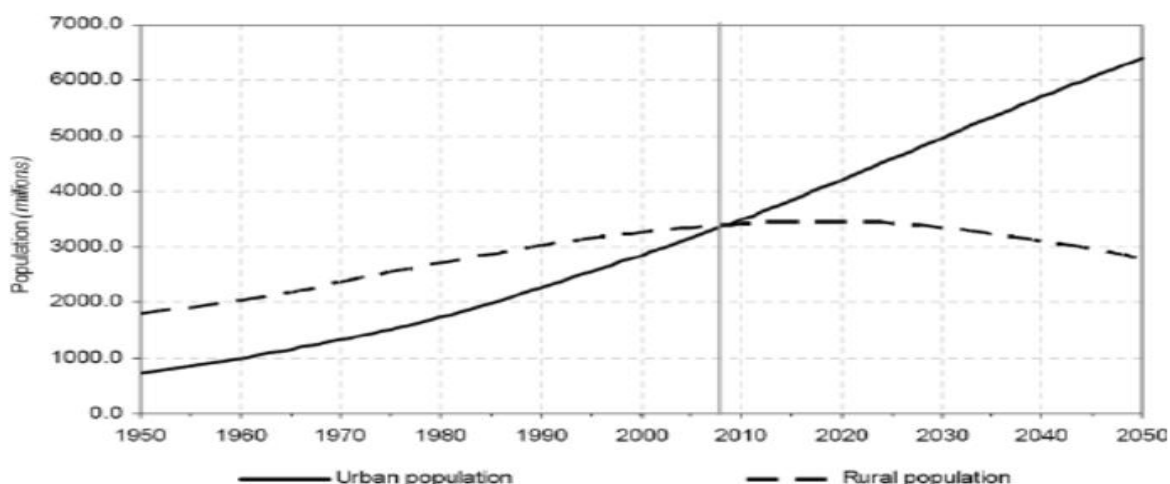
The advent of farming encouraged hunter-gatherers to abandon nomadic lifestyles and settle near others who lived by agricultural production. Agriculture yielded more food, which made denser human populations possible, thereby supporting city development.

Farming led to dense, settled populations, and food surpluses that required storage and could facilitate trade.

These conditions seem to be important prerequisites for city life. Many theorists hypothesize that agriculture preceded the development of cities and led to their growth.

In 2025, approximately 58% of the world's population lives in urban areas, with a total of 4.77 billion people residing in cities. The remaining 42% live in rural areas.

The urban population is expected to continue growing in the coming years, with projections indicating a substantial increase by 2035



Urbanisation began as a result of the industrial revolution.

The graph above illustrates the rural and urban populations and the combined world population in millions. From the graph it is clear that the level of urban population has exceeded the rural population since 2008.

In 2025, South Africa is projected to have approximately 43.1 million people living in urban areas. This represents roughly 66.6% of the total population, with the remaining 33.4% residing in rural areas.

1.2 Concepts related to urbanisation

- **Urbanisation:** is the process through which cities grow, and higher and higher percentages of the population comes to live in the city.
- **Urban growth:** the population of an urban area increases. This result from rural urban migration and the natural increase in the urban population.
- **Urban expansion:** refers to an increase in the built-up area of a settlement or collection of settlements
- **Urban sprawl :** is the unrestricted growth in many urban areas of housing, commercial development, and roads over large expanses of land, with little concern for urban planning.
- **Rate of urbanisation :** describes the projected average rate of change of the size of the urban population over the given period of time.
- **Level of urbanisation :** percentage of total population accommodated in cities.
- **Counter-urbanisation :** is a process in which certain groups of people, often the better off, leave urban areas for rural areas.

1.3 How site and situation affect the location of urban settlements

The site is the actual location of a settlement on the earth and is composed of the physical characteristics of the landscape specific to the area.

PHYSICAL FACTORS:

- Availability of fresh water
- Underlying rock and soil structure
- Relief – too steep slopes makes building difficult
- Drainage – avoid flooding
- Aspect of slope – north-facing slopes in Southern Hemisphere is warmer and south-facing slopes in Northern Hemisphere is warmer
- Resources – minerals will encourage industrial development.

SOCIAL FACTORS:

- Religion
- Language
- Culture
- Defensibility – hill-top settlements were important
- Food supply – to support growing populations

POLITICAL FACTORS:

- Government can decide where to create urban settlements

ECONOMIC FACTORS:

- Transport routes – nodal points (where roads and rivers meet), towns near mountain passes or ports.
- Bridging points over rivers
- Harbours – to promote trade
- Building material – for construction

Classification of urban settlements according to function

Classification (identification, description and purpose) of urban settlements according to function:

- Central places
- Trade and transport towns (Break-of-bulk points, Junction towns and Gateway/Gap towns)
- Specialised towns



Urban settlements are classified according to their original function. As an urban area develops more functions are introduced



The primary purpose of a settlement or market town, according to central-place theory, is the provision of goods and services for the surrounding rural area. Such towns are centrally located and may be called central places

Examples: Fort Beaufort; Graaf Reinet; Aliwal North; Maclear

TRADE AND TRANSPORT CITIES:

Urban settlements that were established due to trade and transportation. Good location for rail, road or sea transportation.

Settlements around large airports called an aerotropolis contain industrial parks, warehouses, offices, houses and services.

There are three types of trade and transport cities:

Break-of-bulk towns or cities:

They develop at a point where the type of transport changes.

This is most often at a harbour where the transport changes from sea to land.



Junction towns or cities:

They develop at an intersection of two major transport routes, for example a railway junction.

De Aar is a town in the Northern Cape province of South Africa.

It is the second-most important railway junction in the country, situated on the line between Cape Town and Kimberley.



Gap towns or cities:

They develop at a point of access through or over a physical barrier, for example at a mountain pass



SPECIALISED CITIES

Towns and cities that specialise in a particular activity, e.g. vehicle manufacturing, information technology, tourism or mining.

- Mining towns or cities, e.g. Kimberly
- Education towns or cities, e.g. Alice
- Industrial towns or cities, e.g. East London
- Recreation towns or cities, e.g. Grahamstown

1.5 URBAN HIARACHIES

Urban hierarchies:

Concepts (identification, description and interpretation) of:

- Urban hierarchy
- Central place
- Threshold population
- Sphere of influence
- Range of goods

Concepts (identification, description and interpretation) of:

- Low- and high-order functions/services
- Low- and high-order centres

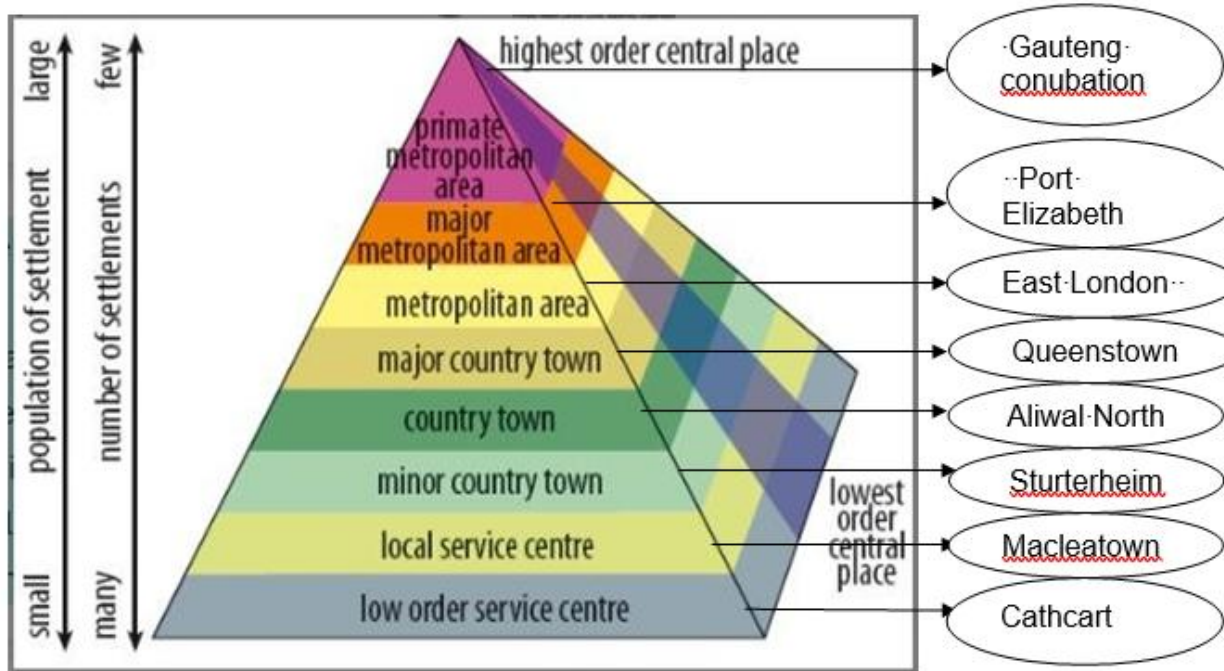


URBAN HIARACHIES



A ranking of settlements according to their size and economic functions.

The relative ranking of a central place functions based on how specialized it is, how large a market area is needed to keep them in business, or how far people are willing to travel to obtain them.

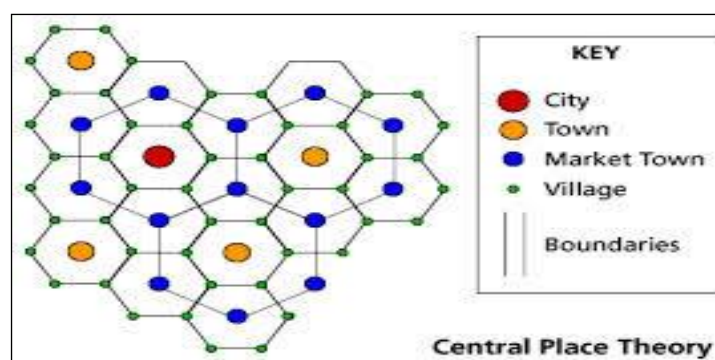


As you move up the hierarchy, the size of the settlement and the distance between similar sized settlements increases.

As you can see from the diagram above, there are more cities than conurbations, more towns than cities and more low order service centers than towns.

Central Place

A city or town that provides goods and services to the surrounding populations (city or town)

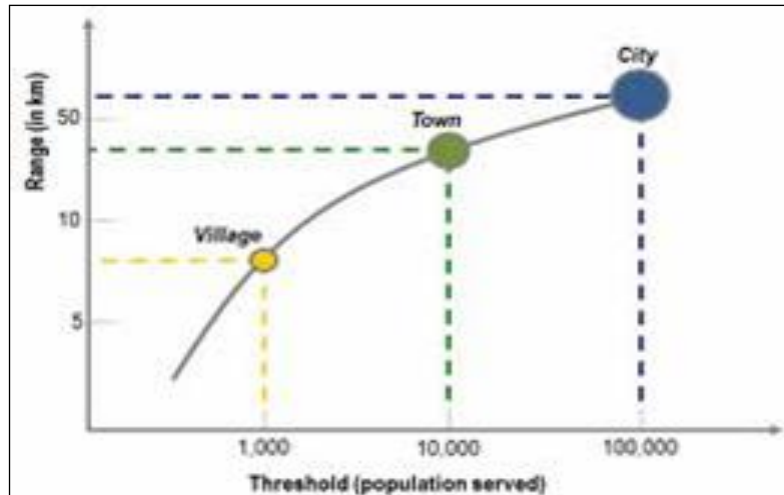


- The larger the central places the less there are of them and the farther apart they are.

- Large central places have a high **sphere of influence, range and threshold**. There are more small central places that are spaced the same distance apart.

Threshold Population

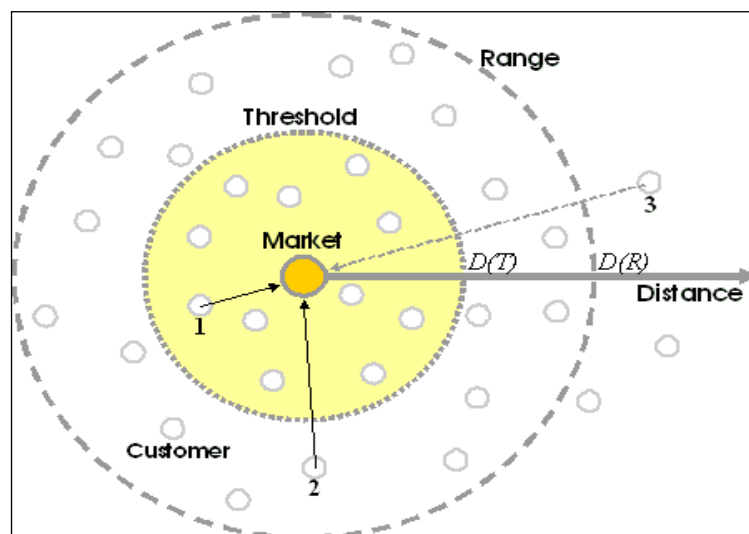
The **minimum** number of customers needed to support a central place function (limit from a business perspective)



- Cities require a large threshold than towns.
- Services such as department stores selling high order goods have a higher threshold than those selling low order goods such as newsagents.
- This means they need a higher number of people to support them and make them profitable, therefore they will only be found in larger settlements.
- It also means that there are fewer big department stores than small stores.

Range Of Service

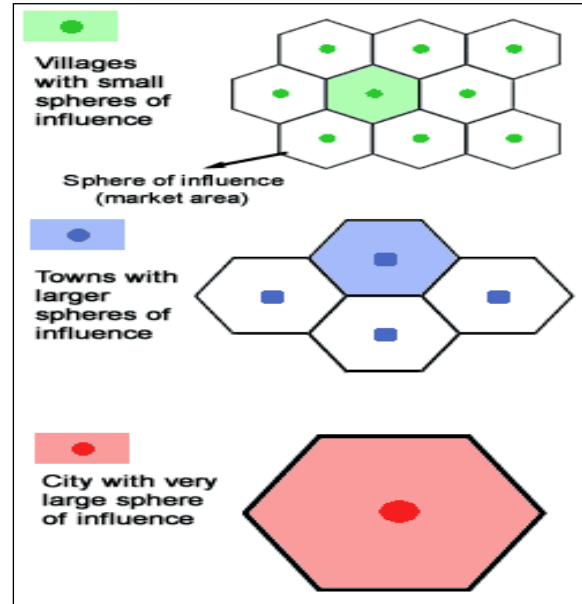
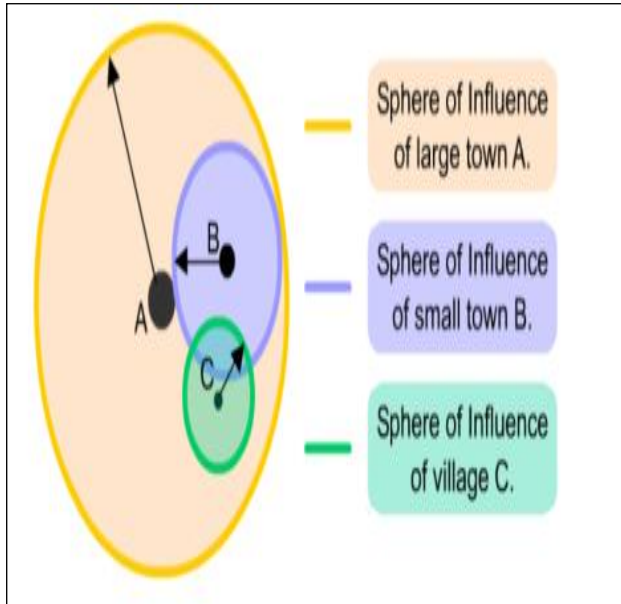
The **maximum distance** people are willing to travel to obtain a Central Place Function (limit from a customer's perspective)



- Customers are willing to travel long distances to obtain high order services.
- People are not willing to travel long distances for simple low order goods.

Sphere of Influence

The total market area from where an urban settlement draws its customers

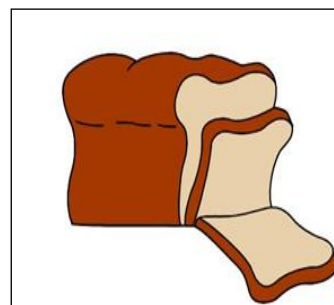


- Dependent on the size and number of functions offered by the center range of goods:
- Maximum distance that people are willing to travel to buy goods or services
- Larger settlements and conurbations have a much larger sphere of influence than smaller ones.
- This means they attract people from a wider area because of the facilities they offer. Cities such as Cape Town have a global sphere of influence, whereas a small town may only have a sphere of influence of a couple of kilometers.

Low- and high-order functions/services

Low order functions/services

- goods used daily
- have a small range
- have a small sphere of influence
- relatively cheap
- consumable
- necessities



low order centers:

- offer low order services or functions
- small threshold population

High order functions/services

- goods and services that are required infrequently
- have a large range
- have a large sphere of influence
- they are expensive
- durable
- luxury



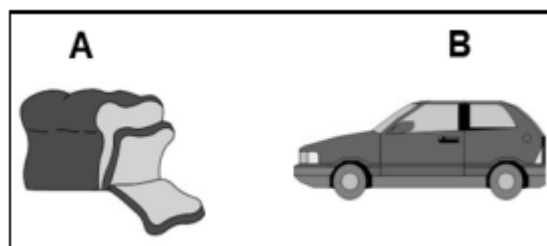
high order centers:

- variety of services or functions offered
- large threshold population
- The number of services that a settlement provides increases with settlement size.
- Small settlements will only provide low-order services such as post offices, doctors and newsagents.
- Large towns, cities and conurbations will provide low and high-order services such as leisure centers, chain stores and hospitals.

ACTIVITY 7

Provide one word for the following statements

- 7.1.1 Offers services the surrounding rural area (1x1) (1)
- 7.1.2 Maximum distance travelled by a customer to buy a product. (1x1) (1)
- 7.1.3 The minimum number of customers needed to make a business profitable. (1x1) (1)
- 7.1.4 The area from which a settlement draws its customers (1x1) (1)
- 7.2 Study the ketch below



<https://www.google.com/low/high-order goods>

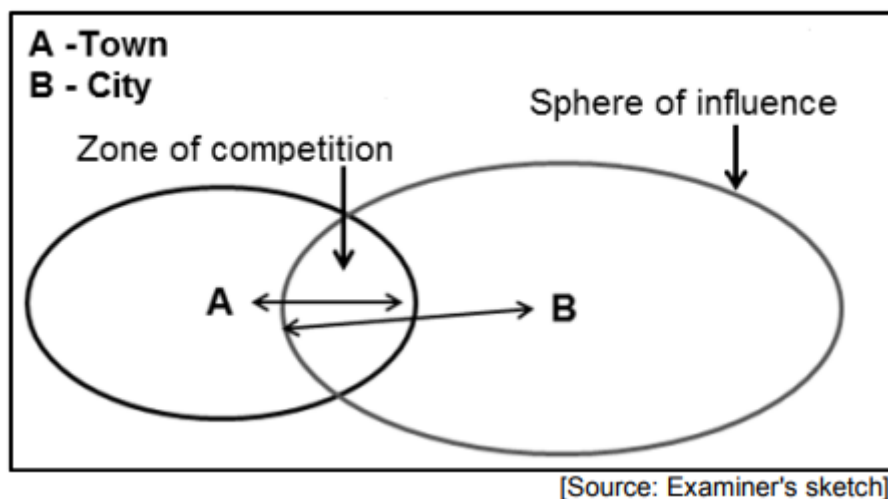
- 7.2.1 Which item between **A** and **B** is a low order good? (1x1) (1)
- 7.2.2 Provide a reason to your answer in question 7.2.1. (1x2) (2)
- 7.2.3 Why will the item **B** have a greater range? (1x2) (2)

7.2.4 Which of the items above will have a large threshold population? (1x1) (2)

7.2.5 Provide a reason for your answer in question 7.2.4 (1x2) (2)

ACTIVITY 8

Refer to the sketch below



8.1.1 Define the term sphere of influence. (1x1) (1)

8.1.2 Compare the size of the city's sphere of influence with that of the town. (1x1) (1)

8.1.3 What determines the size of the sphere of influence of an urban settlement? (1x1) (1)

8.1.4 Give TWO possible reasons for the overlap of the town's sphere of influence with that of the city (2x2) (4)

8.1.5 Explain why the range (distance) of different goods and services offered in city **B** is not the same. (2x2) (4)

8.1.6 According to the urban hierarchy of settlements, why are there more low-order centres (towns) than high-order centres (cities)? (2x2) (4)

Urban structure and patterns



Internal structure and patterns of urban settlements (includes shape of urban settlements)

Take note of the difference between land-use (e.g. greenbelt and recreation) and land-use zones

Land-use zones, including reasons for location, purpose and characteristics

- Commercial (CBD, OBD, types of commercial decentralisation)
- Residential
- Industrial
- Transition zone/Zone of decay
- Rural-urban fringe



Urban structure and patterns

Land-use zones

Land-use zones are areas in urban areas that have particular functions, such as retail, residential and industry. All cities have different land-use zones.

Factors influencing location of urban land use zones:

Accessibility:

- the ease with which a place can be reached
- CBD has greatest accessibility
- Heavy industries locate near transport routes

Compatibility:

- Degree to which functions attract each other
- Recreational areas are found near residential areas- high compatibility

Specialised requirements:

- Some land use zones require special features to develop e.g. a water source

Land values

- some land use requires more space and cheap land

Centrifugal force (push factors): factors that cause some functions to move away from the CBD

Centripetal forces (pull factors): there are factors that attract functions to other areas in the city.

Functional magnetism: functions that benefit each other

Functional convenience: CBD highly convenient since close to work

Functional prestige: a certain area becomes well known for a specific function offered

Commercial land use: hotels, shops, offices and other businesses cluster together in the central business district (CBD) at the center of the city.

Commercial land use is also found along major roads. In cities developed countries, commercial land use is also found in the city edge, in businesses and retail parks.

Central Business District



<https://en.wikipedia.org/>

Characteristics

- The CBD or Central Business District is the commercial center of an urban area.
- It contains the main shops, offices and financial institutions of the urban area.
- It is usually the most accessible (easy to get to) part of the city.
- This is because most of the main transport routes lead here.
- Due to high land values, buildings tend to be tall, and building density is high.

Land Values

- Land values tend to be very high; this is the result of significant competition to locate here.
- It is cheaper to build up than out.
- There is a limited amount of open space available.
- New developments tend to focus on redeveloping existing areas rather than using the limited open space available

Population Density

- During the day the CBD is densely populated. due to the high number of pedestrians and shop and office workers.
- The CBD has a limited number of houses and flats due to the high land values in this area.

Commercial decentralisation:

- When functions in the CBD move to the outskirts of the city.

Caused by:

City is invaded by illegal immigrants, becomes dilapidated.
Problems in the city such as traffic congestion, pollution

Forms:

- Isolated store cluster (low order center)
- Commercial ribbon development (along main roads)
- Outlying business centers (high and low order center located in densely populated area)
- Planned neighbourhood shopping center (found in residential area)
- Planned regional shopping center
- Informal trading (low order goods sold by unlicensed businesses)

Residential Zone

- Occupies the most amount of urban land
- Wealth segregates this zone:

High income residential

- Away from CBD and heavy industries
- Good views
- Well maintained
- High land value
- Many recreational facilities



Middle income residential

- Medium size houses
- Location varies, but approximately 15-20min from CBD
- Mostly occupied by government workers



Low income residential

- Located near industrial areas
- Close to CBD
- Small houses found close together
- Little to no recreational facilities
- Houses are old and neglected



Industrial Zone

Light industrial zones

- Occupies small spaces
- Little pollution
- Locate near to customers
- Produce small and comparatively lighter goods
- Mostly perishable goods



Industrial Zone

Heavy industrial zones

- Pollution
- Far from high income residential zones
- Found on outskirts of urban areas due to requirement of large spaces
- Close to transport facilities
- Produce heavy goods



Transition Zone

The area around the CBD where the CBD is growing into the light industrial areas

- Low income housing areas through a process of invasion and succession.
 - This often associated with slums and blight (buildings are not repaired)
 - Located on the edge of CBD
 - Mixed land use zone
 - Buildings are old and dilapidated
- Characteristics:
- Informal traders on pavements
 - Lots of street children
 - Many foreigners
 - High crime rate



Rural-urban Fringe

- The urban-rural fringe contains a mixture of land use.
- this includes residential areas, recreational facilities such as golf courses and farming
- Outskirts of city
- Mixture of rural and urban functions
- Land here is cheap
- Sewage, cemeteries, airports etc. found here.



Green Belts and areas of recreation: they are **NOT** land use zones; they are areas in any land use zone where land is used for planting natural vegetation.

- Piece of land found within a city that has natural vegetation
- Protects natural environments
- Improves air quality

Urban structure, or urban morphology



Factors influencing the morphological structure of a city:

- Street patterns (plan)
- Building density

Urban profiles

- Concept (definition, identification and application) of urban profile
- Reasons for shape of urban profile



Urban structure, or urban morphology, refers to the external, physical aspects of a city.

- Urban settlements develop and change over time.
- Older cities or parts of cities look different from newer cities.
- The infrastructure like roads, railways and physical features like rivers, coastlines and mountains will all influence what cities look like.

Street patterns (plan)

Grid-Iron Street Pattern

Streets intersect at right angles



Advantages

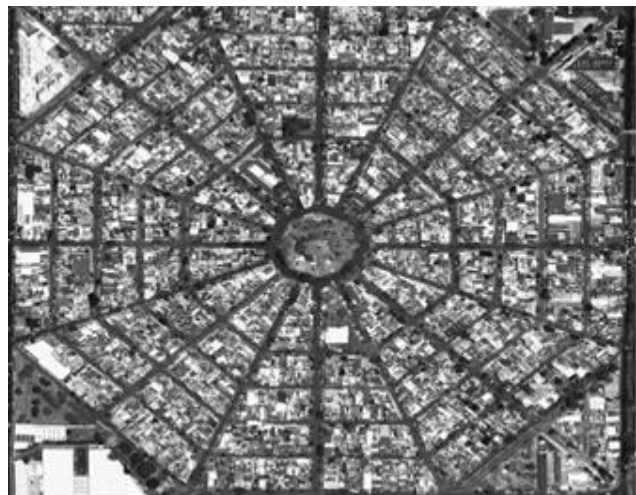
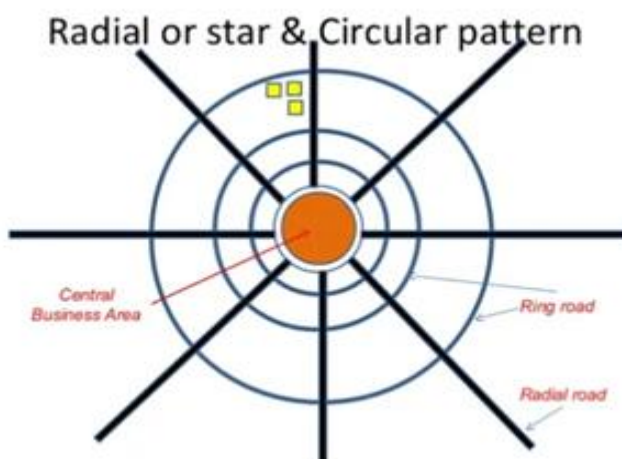
- Shorter routes
- Easy to extend
- Easy to find places
- found on land that is flat
- The roads in this pattern are relatively easy to construct and maintain.

Disadvantages

- Associated with traffic congestion
- hampers traffic flow
- does not work on steep land
- Many intersections/robots
- Time consuming
- Fuel consuming
- Road rage/frustration

Radial Street Pattern

All roads lead to/out of a central point e.g. CBD



Advantages

- Less intersections
- Easier flow of traffic
- Aesthetic appeal
- joined by ring roads
- Roads allow for traffic bypass

Disadvantages

- Unplanned growth can create traffic problems
- roads radiate away from central point
- traffic congestion at the center

Irregular Pattern

No set pattern. It develops due to relief e.g. goes around hilly areas



Advantages

- Creates aesthetic appeal due to different roads
- Less traffic congestion
- Less intersections
- maze of streets with no order
- associated with broken relief
- new urban developments
- ensures a smooth flow of traffic
- Hilly relief

Disadvantages

- Can get lost
- Travel longer distances

Building Density

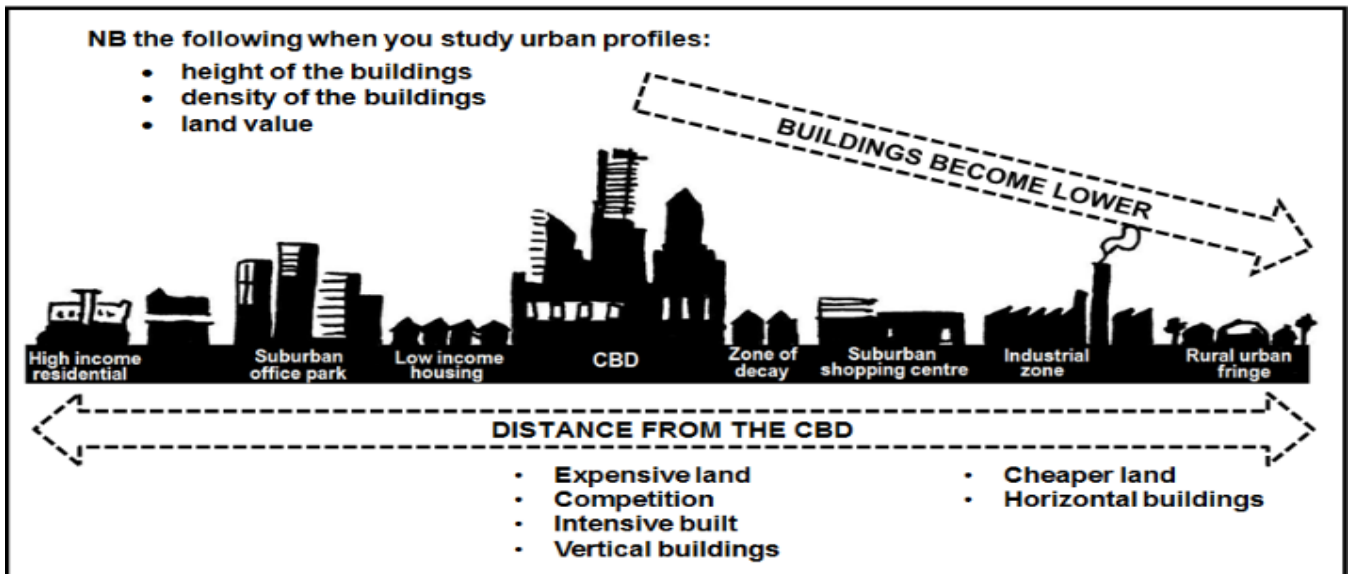
- number of buildings per unit area
- density decreases from city centre outwards
- due to high land values in the city centre, buildings are close together and tall

Urban Profile

- the side view of a city showing building density and building height
- land value influences the shape of an urban profile
- building density and height is greatest where land value is highest

Reasons for shape of urban profile

- Highest buildings in the centre of the town, as the competition for land and high land values lead to sky-scrapers being built.
- As land values decline towards the outskirts so does the height of buildings and the density as well.



Models of urban structure (description and characteristics):

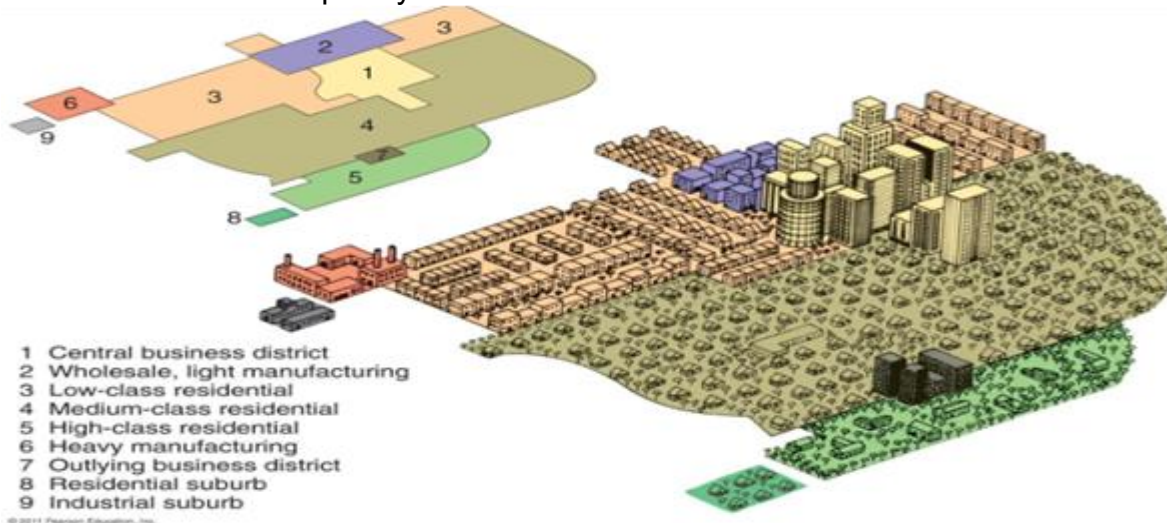
- Multiple nuclei (Harris and Ullman)
- Modern American-Western city
- Third World city
- South African city
- Changing urban patterns and land use in South Africa (buffer zones, greenbelts)



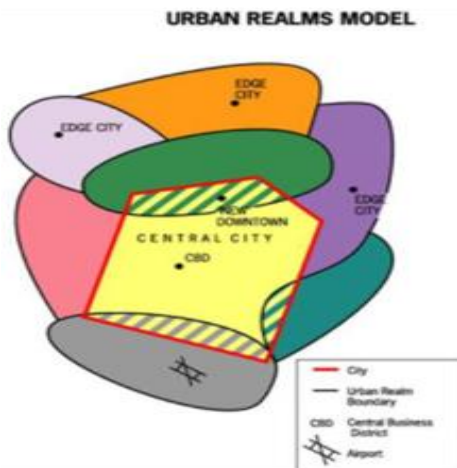
Multiple nuclei (Harris and Ullman)

The model was developed by CD HARRIS and EL ULLMAN in 1939.

- A city is a complex structure that includes more than one center around which activities revolve (ex: a port, neighborhood business center, airport, park, university, etc.)
- caters for decentralisation, relief and all land use zones
- shows the true complexity of cities



Modern American-western city (Urban Realms Urban Land Model)



Created by James Vance in 1964 to describe a modern metropolis

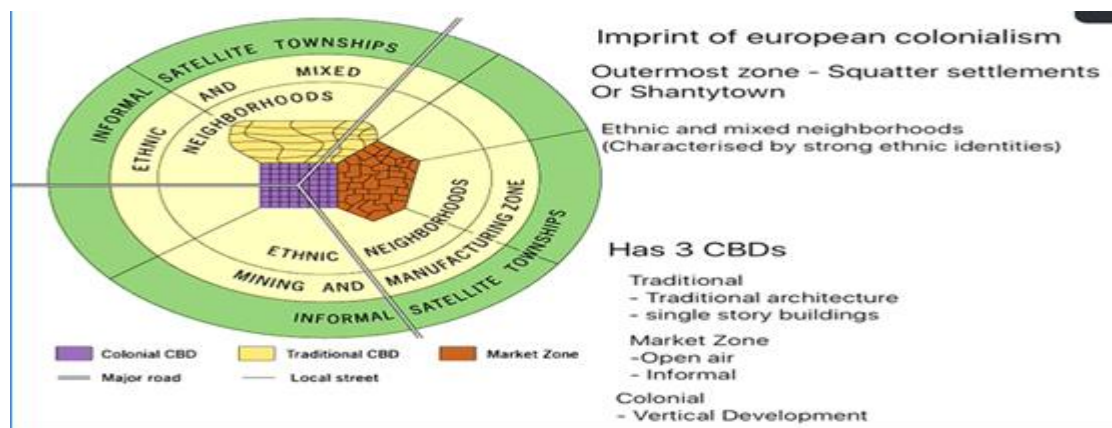
Each color represents a different 'realm' which serves a separate purpose, but the area still acts as one city

LA is a great example of this model

- Developed by James Vance in 1960s
- Influenced by increasing importance of automobile
- Explained suburban regions that were functionally tied to mixed-use, suburban downtowns with relative independence from the CBD
- Developed while observing the San Francisco Bay area metropolis
- Model grew from the multiple-nuclei model
- Argued nuclei were not just focal points of urban growth but developing into functioning "urban realms"
- Urban realms model recognized that many people's daily lives and activities occurred within a fixed activity space within a portion, or urban realm, of a larger metro region
- In these "urban realms" one could find suburban downtowns filled with amenities needed for living "urban realms"

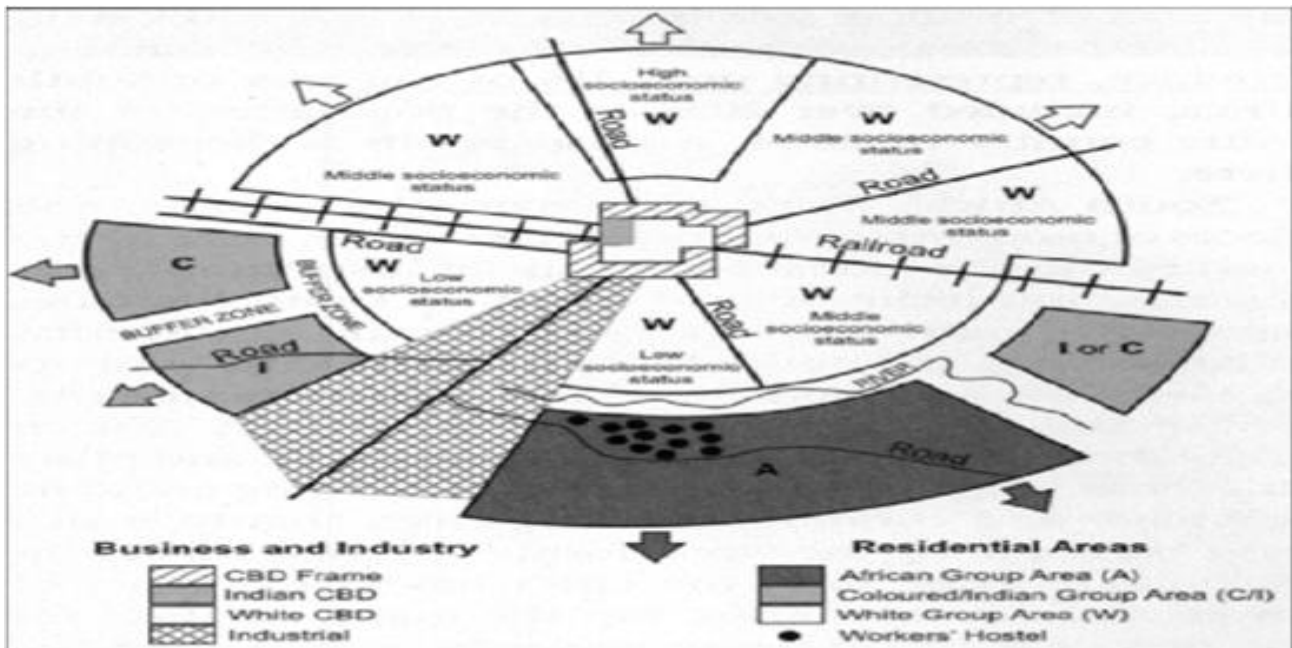
Third World city

- Land use zones are mixed
- Lots of informal trading
- City centers are compact
- Poor infrastructure
- Social problems in excess
- Large scale rural urban migration due to opportunities in the urban areas
- Formal and large scale informal settlements



South African city

- Influenced by the apartheid policy e.g. Group areas act.
- South Africa is undergoing transition due to Democracy
- Post-apartheid- income determines where people live, not race



Apartheid city model Source: Davies, 1981: 61

Changing urban patterns and land use in South Africa (buffer zones, greenbelts)

Urban renewal programmes aim to:

- Speed up service delivery
- Upgrade infrastructure (such as roads)
- Develop skills and create jobs
- Fight crime and urban decay
- Renovating the urban area
- Renovating the urban area
- Facadism keeping the external front of the building but modifying the rest of the building
- Gentrification- upgrade run down areas in the inner city
- Invasion and succession-one inappropriate land use replaced by another more appropriate land use e.g. residential to commercial.

Inner city renewal means rezoning to fight urban decay.

Disadvantages are:

- The area changes from a low-income to a middle-income or high income area.
- Although the area is renewed, the current residents have to move away to less expensive areas, with possibly even worse social problems.
- Businesses that catered for the original low-income residents can suffer.

Planning urban settlements for the future:

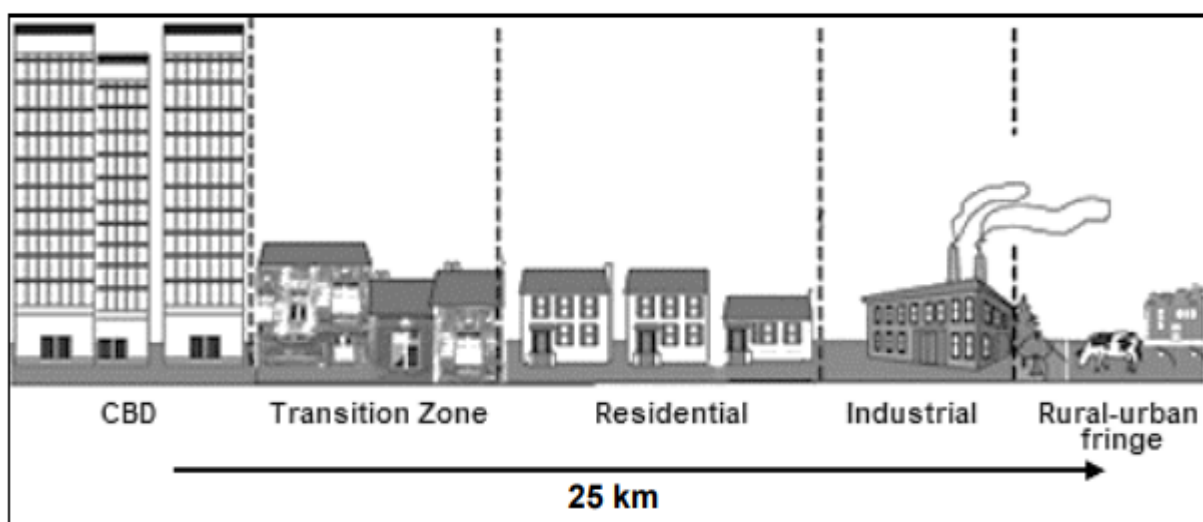
- A garden city is an urban area that is planned and for which there are strict rules about development and maintaining the environment.
- Planned urban areas should take into account people's basic needs, access to services, employment, safety and security, social and recreational needs, green belt areas, such as parks, transport and future urban expansion.

Decentralisation of functions

- Commercial functions moving to the residential area
- Convenience of having different functions in one area.

ACTIVITY 9

Refer to the sketch below showing an urban profile

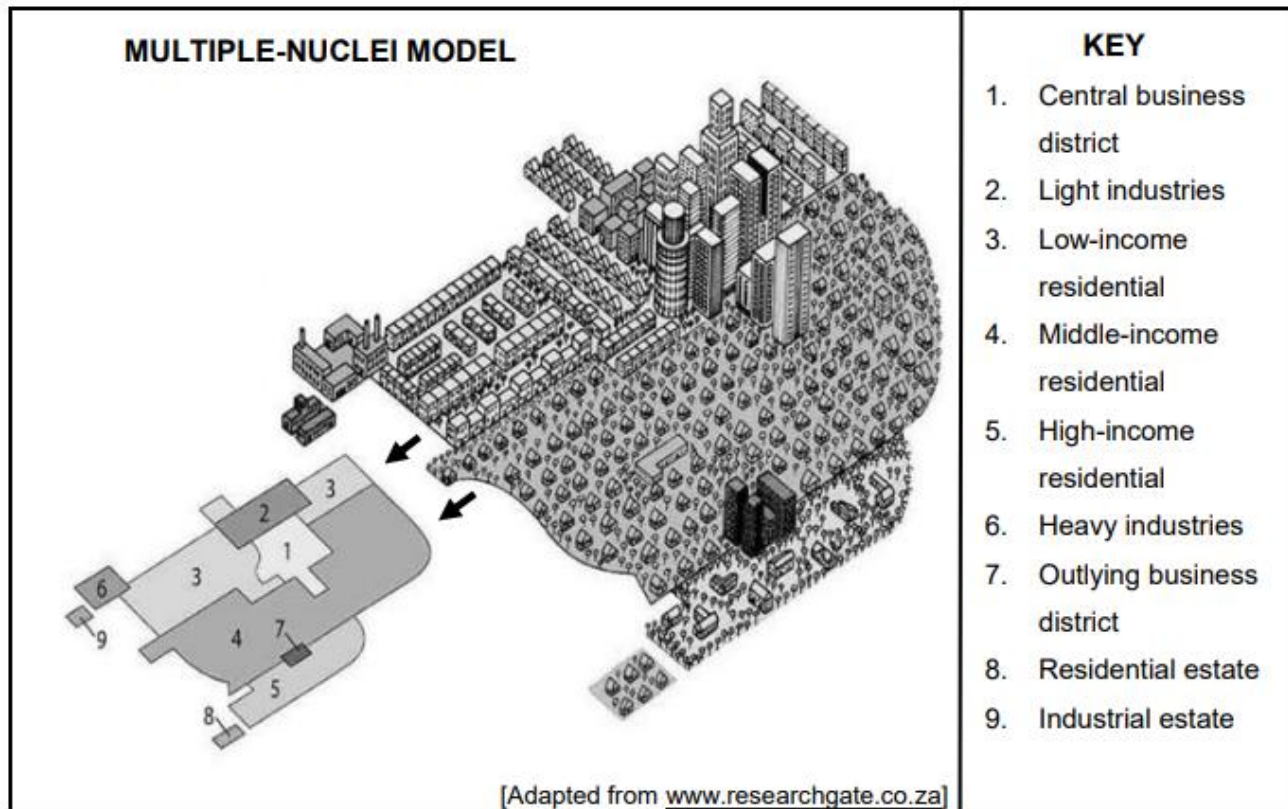


[Source: Examiner's own sketch]

- | | | | |
|-------|--|-------|-----|
| 9.1.1 | Define the concept urban profile. | (1x1) | (1) |
| 9.1.2 | Comment on the height of buildings in the CBD in comparison to those in the rural-urban fringe. | (1x1) | (1) |
| 9.1.3 | How has the demand for land influenced the density of buildings in the CBD? | (1x2) | (2) |
| 9.1.4 | Why are both the transition zone and rural-urban fringe referred to as zones of change? | (2x2) | (4) |
| 9.1.5 | Suggest economic reasons why the rural-urban fringe would be an attractive location for commercial activities. | (3x2) | (6) |

ACTIVITY 10

Refer to the sketch below on the multiple-nuclei model.



- 10.1.1 State TWO characteristics of the multiple-nuclei model evident in the sketch. (2x1) (2)
- 10.1.2 Identify land-use zone 1. (1x1) (1)
- 10.1.3 Account for the location of land-use zone 1. (1x2) (2)
- 10.1.4 Explain how the development of the outlying business district (OBD), labelled 7, was influenced by:
- a. Crime rate (1x2) (2)
 - b. Traffic congestion (1x2) (2)
- 10.1.5 Why will the multiple-nuclei model depicted in the sketch does not apply to all urban areas? (3x2) (6)

Urban settlement issues



Recent urbanisation patterns/ trends in South Africa

Urban issues related to rapid urbanisation: (definition, causes, impact, possible solutions like counter-urbanisation)

- Pollution
- Urban blight
- Traffic congestion
- Lack of planning/urban sprawl
- Overcrowding
- Housing shortages
- Service provision (basic services)
- Social challenges

Urban settlement issues



Recent urbanisation patterns/ trends in South Africa

Cities are dynamic – they change all the time. Land-uses in cities also changes.

Reason why urban patterns and land use change:

- Centripetal forces
- Centrifugal forces

Centripetal forces

Forces that attract and keep people and businesses in the city center

- **Site attraction:** attraction of city's site keeps people and businesses in city center.
- **Functional convenience:** the accessibility of the city center attracts people and business – convenient to work and do business in the CBD.
- **Functional magnetism:** the mutual attraction created by businesses with similar functions, e.g. banks, investment, insurance, legal and finance companies cluster together in the city to make business easier.
- **Functional prestige:** advantages of locating in the city center and having a prestigious address – can be good for the status of a business.

Centrifugal forces

Forces driving people and business away from the city center towards the suburbs and rural-urban fringe

- **Spatial forces:** overcrowding and congestion in the city centre force people to move to the periphery.
- **Site force:** the need for a special site that cannot be found in the city centre leads to movement out of the CBD.
- **Situational force:** noise, pollution and decay of the city centre force people and businesses out into the suburb.

- **Economic force:** high rents, rates and taxes in the city centre force people and businesses out.
- **Status force:** city center is seen by people as old and regulated whereas the periphery is seen as young, vibrant and dynamic.

CHANGING URBAN PATTERNS AND LAND USE:

Over time buildings in a city can become old, unsuitable and inappropriate for modern use.

Instead of demolishing these buildings, they change the structure or design to suit current requirements.

- CBD's in SA have changed with new shopping centres and altered transport projects, e.g Gautrain and Bus Rapid Transport.
- CBD's changed because of decline in people visiting the city centre.
- Shops moved to suburban shopping centres.
- People avoid pollution and traffic congestion
- Also competition for land on rural-urban fringe:
- Less expensive
- Less traffic congestion
- Less air pollution
- Environment is unspoilt

URBAN RENEWAL:

The modification in use of land or buildings in an urban settlement to improve the land/buildings.

Urban renewal involves processes called invasion and succession

Invasion and succession:

Where land use in a city is no longer appropriate, a new land use will take over the original function and succeed it.

Façadism:

When the old, original front or façade of a building is retained and a new development built behind the old façade.



Gentrification / chelseafication

The modernisation and improvement of old houses close to the city centre.



Ghetto

Small area within an urban settlement in which people of a particular ethnic or cultural group live together.



Urban issues related to rapid urbanization/Inner-city problems:

- Rise of squatter settlements
- Industrial expansion is slower than the rate of urbanization
- Unequal provision of services
- Poverty and unemployment
- Environmental pollution
- Crime and violence

Urban blight:

Deterioration of parts of an urban area
Area of decay is transition zone
Owners do not maintain buildings in this area

**Solutions:**

- Slum clearance- demolishing old buildings and starting from scratch. Housing provided for residents
- Regeneration- improving physical environment by renovating old buildings, creating employment and improve quality of life
- Invasion and succession- replacing the original function with a new function
- Gentrification- low cost housing bought by wealthy people and are modernized
- Façadism- front of building preserved for heritage remembrance but the rest of the building is renovated

Lack of planning:

Due to rapid urbanization – no proper planned developments



- Low income residential areas found on outskirts
- Results in high rate of commuting putting pressure on transport
- Poor service provision results in protests

- Housing alongside industry
- Low-cost housing poorly built
- Inadequate services like water, electricity and sewerage
- Informal settlements growing

Possible solutions:

- Government and municipality need to allocate funding for new developments and infrastructure.
- New urban developments must be managed and inspected professionally
- Centres must be attractive
- Control crime
- Clean up streets and buildings
- Improve parking and transportation
- Green the CBD with plants and trees
- Provide street entertainment
- Water features

Traffic congestion

Build-up of vehicles on roads occurring mostly during peak hours

Causes:

- People live far from work
- Inefficient public transport
- Poor road safety
- Excessive use of private vehicles
- Expensive parking
- Grid iron street patterns



Solutions:

- Monitoring of public transport
- Introduce rapid and safe transport
- Decentralisation
- Cycle lanes
- Ring roads
- Park and ride facilities Multi-storey parking bays

Housing shortages:

Due to increased urban population:

- Insufficient space
- Not enough formal and adequate houses
- Informal settlements
- Shanty towns
- Homelessness
- Overcrowding in inner-city apartments
- Inadequate services
- Deterioration of living conditions



Possible solutions:

- Regulate rural-urban migration:
- Government low-cost housing programs
- Formalize informal settlements
- Establish shelters to take care of homeless people
- Monitor and control absent landlords who exploit tenants in inner-city high-rise blocks

Overcrowding

- Shortage of living space due to rapid urbanization
- Cities are crowded with high population densities
- Slums develop
- Schools, hospitals and other public services can be oversubscribed
- Shortage of office space for businesses
- High rents



Possible solutions:

- Provide sufficient housing
- Regulate number of people per room/apartment
- Stimulate growth in nearby smaller towns to encourage people to live there
- Build more schools and hospitals

Service provision:

- Municipalities are struggling to provide basic services due to rapid urbanization
- Growing cities demand and require services like water, electricity, sewerage, refuse removal
- Infrastructure in cities is old and not well maintained – leads to problems.
- Service providers cannot meet growing demand: power and water cuts, cable theft = power cuts and waste of funds
- Resulting in protests for better service delivery



Possible solutions:

- Maintained infrastructure continually
- New power stations
- Sewage works and water supplies need to be planned
- Recycle water
- Environmentally friendly energy sources, e.g solar and waterpower.

Informal settlements:

- Concept (definition and identification)
- Growth of informal settlements
- Issues associated with informal settlements
- Strategies to address issues relating to informal settlements



Informal settlements

Unplanned residential area of self-built dwellings made of reclaimed, found and bought material (e.g wood, iron or plastic) constructed on land to which the occupants normally do not have any legal claim.



Growth of informal settlements

- Due to rapid urbanization
- People build make shift shack form any kind of material
- They occupy open land that belongs to individuals, government or companies illegally
- The areas where they are built are not always suitable for settlement and then the squatters must be resettled
- lack of housing by poor people
- Not conform to building, safety and health regulations.
- Most informal settlements lack basic services like water, electricity and sanitation

Problems:

- Dwellings are exposed to extreme weather: extremely warm in summer and freezing cold in winter. Roofs leak during rain.
- If built in low lying areas – where drainage is poor, vulnerable to flooding and damp.
- Dwellings close to rivers wash away or are flooded.

- Fires regular caused by candles, paraffin stoves and open fires – spread quickly because houses are built close together
- Services are lacking, e.g. toilets, water taps is far away, illegal electricity connections = dangerous, causing injuries and fires.
- Unhealthy and unhygienic living conditions – waterborne diseases like diarrhea and cholera can occur.
- Residents are unemployed and poor

Strategies to address issues relating to informal settlements

- Building of low-cost housing by government
- Infrastructure development
- Improved service delivery
- Skills development
- Social support programs
- Provide, child and old age grants

Injustice issues in urban areas

Definition of environmental, social and economic injustice concerns

Environmental concerns

- Air pollution
- Noise pollution
- Destruction of ecosystems

Economic concerns

- Poverty
- Poor public transport systems

Social concerns

- Unequal access to services
- Unequal access to resources (overview)



Injustice issues in urban areas



Social injustices:

Causes of unequal access to resources and services

- Greed and corruption
- Nepotism
- Lack of public participation
- Unequal access to services – poor service delivery
- Unequal access to resources – rural urban and rich poor disparities

Impact

- Xenophobia
- Violent protests
- Crime
- Economic injustices:
- Poverty

Causes

- Lack of education
- Wages in primary sector too low
- Unemployment

Impact

- Increased crime
- Malnutrition
- Increased illness
- Low standard of living

Solutions

- Basic income grant
- Increase support to farmers
- Skills programmes

Poor public transport systems – poor planning and competition

Impact

- Frequent accidents
- Pollution
- Traffic congestion

Solutions

- Improve bus routing
- Upgrade taxi ranks
- Dedicated public transport lanes
- Introduce eco-friendly transport systems
- Subsidies for public transport improvement
-

Environmental injustices:	Cause	Effect	Solution
Air pollution	CO ₂ Sulphur Power stations Domestic activities Car exhausts	Health problems Acid rain Destruction of ecosystems Global warming	Electricity saving campaigns Strict control of pollution by government Use ozone friendly products Extend green belts
Noise pollution	Industries Airplanes Traffic	Hypertension and hearing loss Reduces quality of life	Noise barriers Altering flight paths Restrict times of day for certain noise levels
Destruction of ecosystems	Population growth Settlement expansion	Soil erosion Pollution of freshwater	Legislation Education Afforestation

ACTIVITY 11

Refer to the photograph and extract below on urban blight (urban decay).



RECLAIMING THE TRANSITION ZONE (ZONE OF DECAY)

City neighbourhoods, such as the Maboneng Precinct and Fordsburg, have a fast-developing modern feel about them. Rental prices within them have increased accordingly. This is due to improvements to attract more middle-income residents: the process of gentrification resulted in the renovation of old buildings. The social cost of redevelopment has been

illustrated by a wave of evictions of the original residents who have lived in unsafe and abandoned buildings, often for decades, because they could not afford better accommodation.

[Adapted from <https://www.news24.com/citypress/voices/-reclaiming-inner-cities-to-solve-our-housing-crisis>]

- | | | | |
|--------|--|-------|-----|
| 11.1.1 | Define the concept urban blight. | (1x2) | (2) |
| 11.1.2 | Give evidence from the photograph that urban blight has taken place | (1x1) | (1) |
| 11.1.3 | Why is urban blight more dominant in the transition zone (zone of decay) than in other land-use zones? | (2x2) | (4) |
| 11.1.4 | In a paragraph of approximately EIGHT lines, explain the positive impact of gentrification on the transition zone (zone of decay). | (4x2) | (8) |

ACTIVITY 12

12.1. Read the case study in FIGURE 1.5 that highlights the urban settlement issue of a lack of service delivery.

ILLEGAL CONNECTIONS: 211 JOBURG INFORMAL SETTLEMENTS ACCUSED OF STEALING CITY POWER'S ELECTRICITY

About 211 informal settlements in the City of Johannesburg have been accused of stealing City Power's electricity. City Power said it was losing billions of rands in revenue. City Power spokesperson Isaac Mangena said a total of five lives had been lost due to electrocution.

On Wednesday, City Power pounced on the informal settlement and removed illegal connections. Mangena said they were in the area conducting cut-offs for the second time in less than a month. "We won't get tired to return and cut off their illegal electricity, because they are costly not only to us, but to infrastructure. We have witnessed many of our substations exploding because of overloading caused by illegal connections."

"Whenever, there is an outage caused by an explosion, legal consumers are the ones suffering, including those working from home. They might lose their jobs due to rampant outages caused by overloading," Mangena said.

Mangena advised residents to petition government in order to have legal electricity installed. "We have about half a million households that we provide legally with electricity. We also have 211 informal settlements with an estimation of about 5 000 households that are illegally connected. We think that the number of illegal connections could be more."

[Adapted from News24, 9 March 2021]

12.1.1. According to the extract, how many informal settlements are stealing electricity? (1 x 1) (1)

12.1.2. Quote TWO basic services that are lacking in informal settlements. (2 x 1) (2)

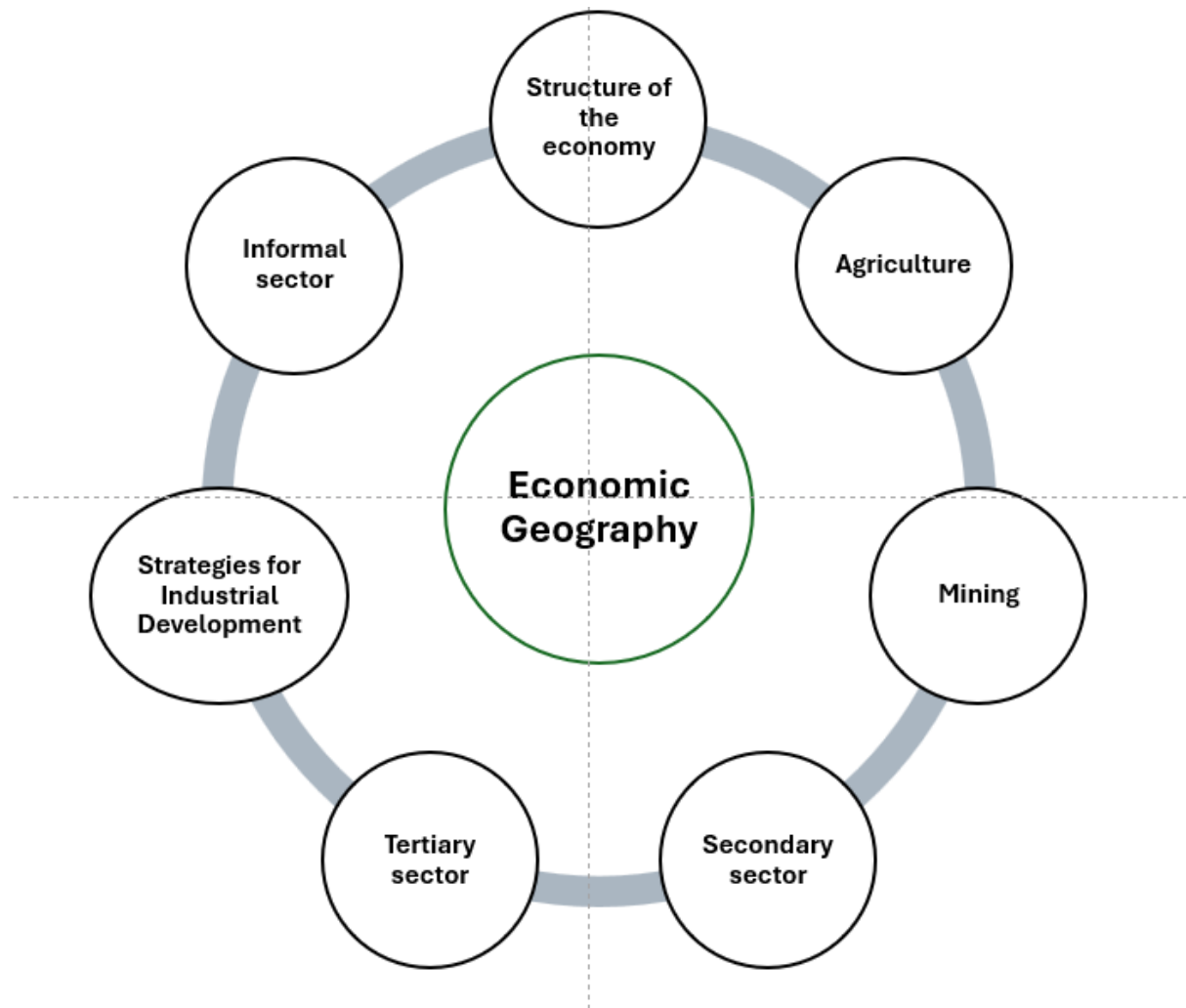
12.1.3. Explain why municipalities struggle to provide basic services. (2 x 2) (4)

12.1.4. In a paragraph of approximately EIGHT lines, explain the economic impact that a lack of basic services will have on the city of Johannesburg. (4 x 2) (8)

ECONOMIC GEOGRAPHY OF SOUTH AFRICA



MIND MAP





TERM	DEFINITION
agglomeration	Economic activities that are similar or rely on each other/cluster together for convenience
agri-processing	a value-added process of turning primary agricultural products into other commodities for the market.
backward integration	the link backwards in a process, such as the link farmers have for the purchase of seeds, pesticides, dips, feed for animals, fertilisers, irrigation needs, farm machinery and fuel
Bagasse	the solid waste left after sugarcane has been crushed to extract their juice and can be used for generating electricity or the manufacturing of paper, packaging and building material.
balance of trade	the difference between a country's imports and exports
beneficiation	refers to the processing of raw materials, such as metals, into a more usable form, also adding to the economic value of the commodity.
break of bulk location	a location to which goods are transported by one mode of transport (like a ship into a harbour) and then transported by another mode, usually road or rail, to its final destination (reloaded into smaller units of transport)
break of bulk point	a point where cargo is unloaded from bulk carrier (such as a ship) to be reloaded into smaller units of transport (such as trains or trucks)
break of bulk point industry	a location where cargo transported in bulk must be broken into smaller units so the cargo may be moved further and generally distributed over a larger space - usually the mode of transportation changes as well; for example, from ship to railroad, or from rail to trucking - this results in a concentration of economic development at the location, as storage, processing and transportation facilities all cluster near the point of delivery
capital invested	the money invested in the form of machinery, equipment or cash
centralisation	clustering of an industry in an area
commercial enterprises	activities that aim to make a profit through the sales of their products
commercial farming	the production of crops and farm animals for sale in order to make a profit
comparative goods	specialised goods and services that require some decision- making before they are bought. They are not required on a regular basis and therefore people are prepared to travel I great distances to obtain them - they are also called higher order goods
co-operative farming	a system in which farmers pool their resources for cooperation in certain areas, such as purchase of seeds, fertilizers or services such as transport
counter-urbanisation	relocation of people and industries away from urban areas into more rural or peri-urban areas
Decentralisation	dispersal of industry around the regions
de-concentration	the movement of industrial zones away from the city and from each other
Diversified	varied in its products

dry port	a dry port (sometimes referred to as an inland port) is an inland intermodal terminal directly connected by road or rail to a seaport, for example: Kaserne (JHB) and Cato Ridge (KZN)
Dube Tradeport	a trade zone including cargo terminal (warehousing and handling for a variety of sectors) that has been developed at KSIA (King Shaka International Airport)
economically active	people who are above a certain age, who could work; in practice, they may be employed (as employees or as self-employed) or unemployed
Economy	all activities related to the production, distribution and interaction of all goods and services within a geographical area
embedded electricity generation	electricity generated from <i>many</i> small <i>energy</i> sources (such as solar panels) as opposed to one large central source (coal power station)
employee benefits	benefits such as UIF, medical aid, pension, bonuses and performance incentives
Energy	power or force with which the river flows
Entrepreneur	a person who organises and operates a business or businesses, taking on financial risk to do so
Export-led development	export-led development is an economic strategy used by some LEDCs to find a niche in the world economy for a certain type of export. The aim of such a model is to provide a developing country with a competitive advantage.
extensive farming	type of commercial farming where the output (yield per hectare) and the labour input are low in relation to the size of the farm. Farms are large and most processes are mechanised.
Famine	this is the absence of food security and may be recognised by the presence of hunger, starvation, malnutrition and the worry of possible food shortages
food insecurity	described as the lack of access to food and water, which leads to acute starvation and related diseases
food security	this means that individuals, households, communities and nations have access to enough quality food at all times
footloose industries	manufacturing activities in which cost of transporting both raw materials and finished product is not important for determining the location of the firm
Free port	a duty-free area adjacent to a port of entry where imported goods may be unloaded for value-adding activities within a Special Economic Zone - these activities may be subject to customs import regulations.
free trade zone	a designated area that eliminates traditional trade barriers, such as tariffs
functional magnetism	industries with similar functions all group together
genetically modified (GM) seeds	seeds that have been hybridised or have gene modifications to ensure resistance to disease or climatic conditions

Gross Domestic Product (GDP)	the total value of goods and services produced within a year in one country (usually quoted as a % contribution)
Gross Geographic Product (GGP)	each province contributes to the country's GDP – the provincial contribution is referred to as the GGP
heavy industry	secondary activities requiring large quantities of raw materials
Industrial Development Zone (IDZ)	a development zone which links nodes in a spatial development; to promote economic growth and job opportunities, for example: Coega Development Zone; Pinetown Development Zone; Dube TradePort
intensive farming	type of commercial farming where the output (yield per hectare) and the labour input is high in relation to the size of the farm – farms are often small and most processes are mechanised
Interdependent	activities that depend on each other mutually
international migration	the movement across state boundaries
investment	the action or process of investing money for profit or material result
irrigation farming	farming that requires organised watering systems, such as furrows or canals; sprinklers; overhead drip irrigation or centre pivots
job security	permanent secure employment, protected by legal contracts
light industry	Secondary activities producing small bulk requiring small amounts of raw materials – often on the outskirts of an urban settlement
link industry	an industry that either supplies materials or equipment to another industry or which depends on another industry for materials or equipment for its own processes
Logistics	logistics is generally the detailed organization and implementation of a complex operation. It is the management of the flow of things between the point of origin and the point of consumption to meet the requirements of customers or corporations
marginal	the lowest contributor
MEDCs	More Economically Developed Countries
mixed farming	a combination of crop/s and stock farming
Monoculture	the cultivation of one main crop extensively, such as maize or sugar-cane
multiplier effect	occurs when an existing or expanding economic activity creates new opportunities for further employment, services and wealth
Nationalisation	when the government takes over the ownership and operations of the mines
open cast mining	type of mining which does not use shafts or tunnels – mining takes place on the surface – the layer above the mineral seam is removed and the exposed deposit is extracted using earth-moving machinery
Parastatal	a company or agency owned or controlled wholly or partly by the government
pilot project	a trial or test run for a large, long-term programme - pilot projects allow designers to test the effectiveness of a programme and correct any problems that occur
post-apartheid	from 1994 when apartheid was dismantled, South Africa became a true democracy, and the post-apartheid era began

ECONOMIC GEOGRAPHY OF SOUTH AFRICA



press-mud Sugarcane	press mud is the residue of the filtration of sugarcane juice. The mud is filtered and is mostly used as soil conditioner, soil fertilizer and for wax production
Production	the actual amount of minerals mined
Protectionism	the economic policy of restricting imports from other countries using methods such as tariffs on imported goods, import quotas, and other government regulations
pull factors	positive elements that occur in an area that attract people to move there
PWV	Pretoria, Witwatersrand and Vereeniging agglomeration
Quarrying	a form of surface mining for rock or stone which is used in building or road making
quinary sector	includes the highest levels of decision making in society or economy in government, science, universities, NPOs, healthcare, culture and media
Railhead	railroad depot at which supplies are unloaded and stored. The supplies are then distributed or forwarded by another mode of transport
rain-fed agriculture	agriculture (cropping) that depends entirely on rainfall as the main water supply - provides much of the food needed in developing countries
raw materials	materials or substances used in the primary production or manufacturing of a product; often natural resources such as oil, iron and wood are used as raw materials
raw-material orientated industries	uses raw material to make goods and products - industry close to the supply of raw materials - Examples: • a paper mill close to the plantations where the trees are sourced from; • a sugar mill close to the cane fields
remittances	money that is sent back home by migrant workers
Reserves	minerals known to exist but not yet mined
Spatial Development Initiative (SDI)	areas that have been identified in South Africa as having the potential for economic growth. An SDI forms part of an economic strategy by Government to unlock economic potential, encourage new investors and to create jobs in certain corridors
Special economic zone (SEZ)	SEZs are geographically designated areas of a country set aside for specifically targeted economic activities, supported through special arrangements (that may include laws) and systems that are often different from those that apply in the rest of the country. For example: Dube TradePort
subsistence farming	farming to provide food for family, with only a surplus being sold
tariffs	a tax imposed on imported goods and services. Tariffs are used to restrict trade, as they increase the price of imported goods and services, making them more expensive to consumers - may be used as a form of protectionism
value-added products	using a basic resource or material and making it into a product for sale (greater monetary value) - sugarcane may be processed into sugar, and then syrup, molasses, sweeteners and other sugar-based items are produced for marketing - it is very important for the local market that this type of manufacturing is done in the country before the product is marketed or exported

ECONOMIC GEOGRAPHY FOCUS TOPICS FOR 2025

(EXTRACT FROM THE 2021 EXAMINATION GUIDELINES)

The structure of the economy

- **Economic sectors** – definitions and examples:
 - Primary
 - Secondary
 - Tertiary
 - Quaternary
- **Contribution of economic sectors to the South African economy:**
 - Definition, interpretation of, value and contribution to, GNP and GDP
 - Employment (linked to different sectors, interpretation and application)
- **Use/Interpretation of statistical and graphical information**

ECONOMIC SECTORS

Sectors of the Economy	
Primary (raw materials)	Extraction of raw materials
	Farming/fishing
Secondary (finished goods)	Manufacturing
	Utilities - electricity, gas
	Construction
Tertiary (service sector)	Retail
	Financial services
	Communication
	Hospitality and leisure
	Real estate
	Information technology
Quaternary	Education
	Public sector
	Research and development
www.economicshelp.org	

CONTRIBUTION OF ECONOMIC SECTORS TO THE SOUTH AFRICAN ECONOMY

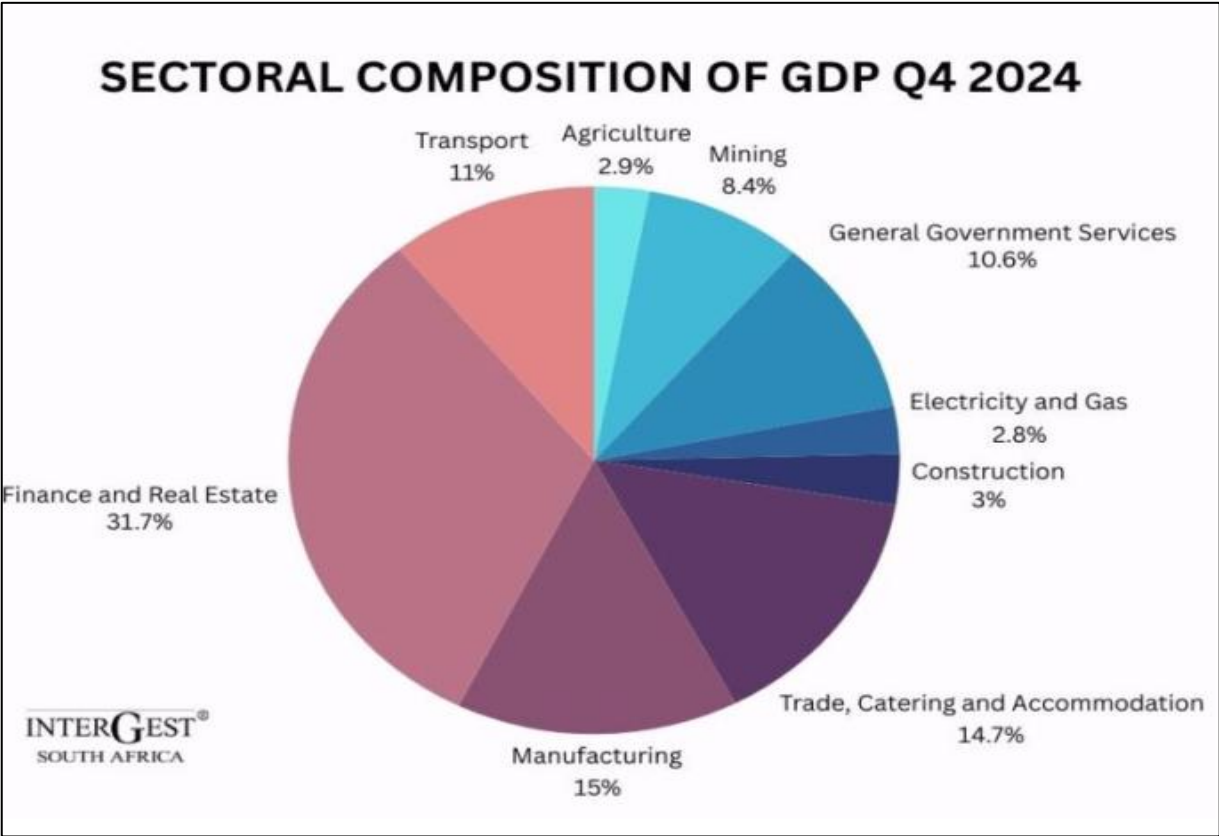
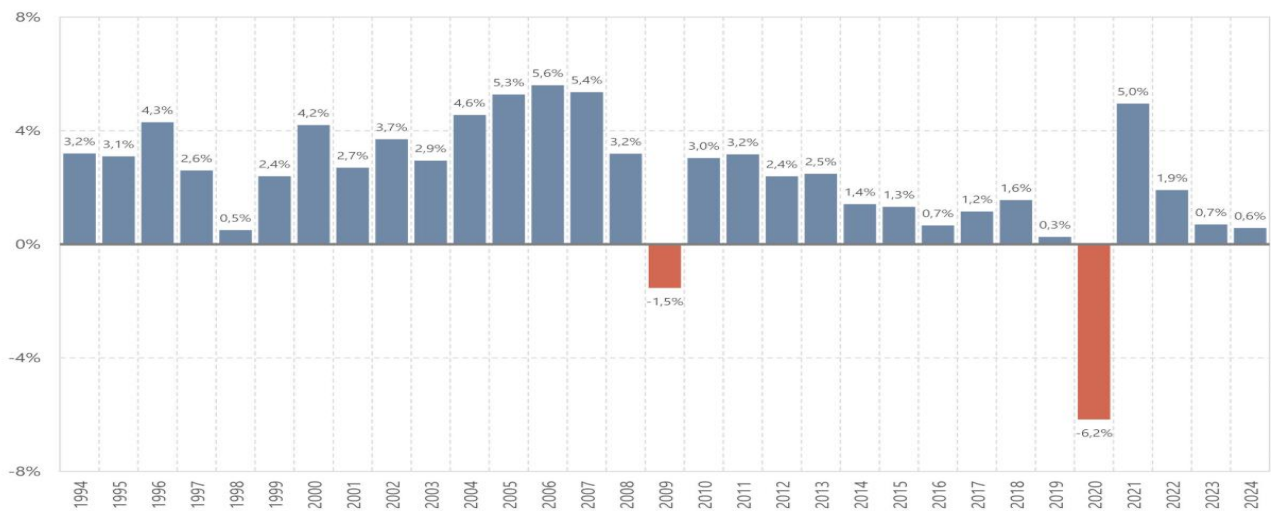


Figure 3: The South African economy grew by 0,6% in 2024
This followed a 0,7% rise in 2023. Annual GDP growth rate (constant 2015 prices)



Source: Gross domestic product (GDP), Fourth quarter 2024

13.1. Refer to FIGURE 1.3 showing contributions to South Africa's GDP.

ECONOMIC ACTIVITY	CONTRIBUTION
Agriculture, forestry and fishing	2,2%
Mining and quarrying	4,9%
Manufacturing	15,2%
Electricity, gas and water	1,8%
Construction	3%
Finance, real estate and business services	21,5%
General government services	13,7%

[Source: <https://www.brandsouthafrica.com/investments-immigration/economynews/sa-economy-key-sectors>]

- 13.1.1 Which economic activity in FIGURE 1.3 contributed the most to South Africa's GDP?
- 13.1.2 Which economic sector contributed the most to South Africa's GDP?
- 13.1.3 Explain the low contribution of the primary economic sector to the South African economy
- 13.1.4 Why is it important to strengthen the secondary sector in South Africa?
- 13.1.5 Account for the low contribution made by electricity, gas and water to the tertiary sector.

The Primary sector

Extraction and exploitation of raw materials

Agriculture

- Contribution of agriculture to the South African economy
- Small-scale farming and large-scale farming: definition, characteristics and interpretation
- Main products produced (definition and examples)- home market and export market



EXAMINATION	YEAR	PRESCRIBED AGRICULTURAL PRODUCT
November 2026 May/June 2027	2026/27	Maize

- Areas of production on a map, identification and interpretation
- Apply factors that favour and hinder agriculture in South Africa to the product studied.
- Contribution of prescribed product to the South African economy

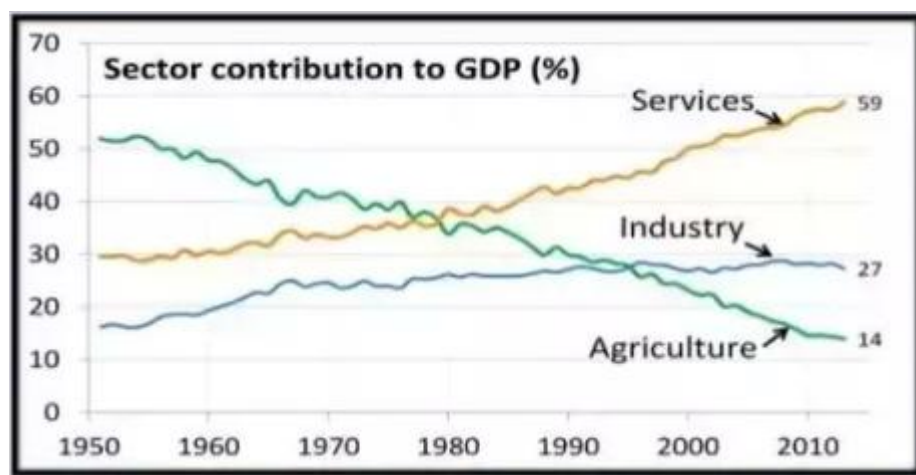
Food security:

- Definition of food security and food insecurity
- Importance of food security in South Africa
- Factors influencing food security in South Africa
- Strategies to improve food security in South Africa

- Case studies related to food security and food insecurity in South Africa.

AGRICULTURE

Agriculture forms part of the primary activities that contribute to the South African economy and has **shown a steady decline** in its percentage contribution to the GDP **due to other sectors increasing their shares of the GDP as skill levels in the country have increased.**



Agriculture contributes to the economy directly as it:

- Contributes a percentage to the GDP.
- Contributes a percentage of the workforce employed in labour.
- Contributes a percentage from exports to the GNP.

Agriculture contributes to the economy indirectly as it:

- promotes growth in the other economic sectors as it provides raw materials for industry.
- promotes growth in the transport sector by using transport for receiving agricultural goods.
- is a major employer of South Africans as 19% of people are directly/indirectly dependent on agriculture for their income.\
- has been a good exporter and derives income from countries that import South African agricultural products.

Factors that favour agricultural development

Climate:

- South Africa's wide range of climatic regions – a variety of crops can be grown
- Arable areas – have few frosty days, thus a longer growing season.

Research

- Research and agricultural education means improved farming methods; for example, the sugar research institute

Trade:

- South Africa has three deep water ports, three international airports and well-developed cold chain facilities
- The infrastructure within the harbour hinterland is good.
- South Africa enjoys counter seasonality to Europe
- Trade agreements with the EU and the US. which provides increased market access for South African farmers.

Rainfall and water:

- Irrigation water drawn from the rivers and lakes
- Various schemes in place to assist farmers in the drier regions

Relief:

- Undulating topography with low hills- favouring crop farming

Climate monitoring:

- Drought prediction more accurate
- Correct choice of crops which decreases loss.
- Methods to counter moderate draughts.

Land ownership:

- The size of the farm units has increased with the government commitment to land reform
- More small-scale farmers are able to generate an income from their produce
- Support from cooperative farming which reduces the capital required by an individual farmer.

Factors that hinder agricultural development**Climate:**

- Some areas are drought prone
- Rainfall is erratic and unreliable and unevenly distributed
- Irrigation water is expensive

Soils:

- Only 7% of the land is arable
- Soils are thin and exhausted because they have been overused

Hazards:

- Diseases such as foot and mouth lead to loss of income.

Climate change:

- Loss of crops such as maize as the weather becomes hotter and drier
- Drought conditions are responsible for killing livestock.

Trade:

- Price fluctuations caused by foreign competition
- Domestic products cannot compete with cheaper products from foreign countries

SMALL SCALE FARMING

Small-scale farming describes a farming method using very little land and often using very little to no expensive technologies.

Small-scale farming is closely tied with more sustainable agricultural methods including Hobby, organic, biodynamic and permaculture (etc.) farms.

Note subsistence farming is farming for own use and small-scale farming is for own use and selling.



farmityourself.com

Characteristics of small-scale farming

- Land size: Small-scale farming only works on small piece of land.
- Income on small farms is small, most family-run farms are on a very tight budget, which forces them to optimize in every possible way, for example by abstaining from expensive technology and equipment'
- Small-scale farms usually include a lot of manual labour.
- Tractors and other Machinery is rarely used and most of the work around crops is done by hand.
- This way of farming can be characterized as a very efficient way of producing crops often surpassing production per land unit when compared to regular factory farming.
- Animals (especially larger ones) on small-scale farms are quite uncommon, small farms mostly focus on crop production, often chickens and sometimes a pig for composition.
- Families on small farms often produce their own food and sell excess production, on larger operations crops are only grown for profit.
- Small farms often use crop rotation systems making them less vulnerable to diseases.
- Small farms often use organic fertilizer and avoid oil-based soil improvement.
- Small-scale farms tend to produce for local communities

Advantages of small-scale farming

- A small farm supplies the local community with fresh food and thus reconnect people with the food they consume.
- Improves Health of communities: Introducing more nutritious and sustainable food, helps to improve the overall health of customers.
- Creates jobs: During the stressful harvest months, small farms often require some

outside help in exchange for money or accommodation and food.

- Food security: small farms grow a more diverse crop selection.
- Can offer high quality at a good price: Most small farms sell their products directly on the farm, this way they do not have to pay for transportation or other fees.
- Although small it does contribute to the GDP/economy of SA.

Some challenges faced by small-scale farmers

- Hard physical labour: Working long days of hard manual labour can be very exhausting and damage your body in many different ways.
- High dependence on unpredictable factors: Weather is one of the most important, yet most unreliable factors in farming.
- Financial uncertainty: Most small farms operate on a very tight budget.

LARGE-SCALE FARMING

Farming system which involves growing of crops and rearing of animals on large piece of land applying modern farming technologies.



Characteristics of large-scale Farming

- Large-scale Production: Commercial farming sees livestock and crops produced in large numbers.
- it requires a lot of land, advanced technology, and expertise to meet the expected production targets or goals.
- It requires a lot of capital to get it up and running.
- Large scale farming is done for sale only.
- requires large supplies of both skilled and unskilled labor.
- It also requires heavy machinery.
- Generally, monoculture (One type of crop)

Importance of large-scale farming

- Contributes significantly to the GDP/economy of SA.

- Has a large amount of exports bringing in a lot of foreign exchange.
- Employs a large number of people
- Produces a large amount of food. This plays a significant role in food security.
- Provides raw materials for secondary sector.
- By improving quality of life, it increases the secondary and tertiary sector.
- people can afford more goods and services.

Extensive and Intensive Farming

Extensive farming or cultivation involves land tillage with an aim of increasing output. Farmers increase the size of land for cultivation to improve yield without changing other factors.

Intensive farming involves increasing capital and labour on the same piece of land being cultivated to increase yield.

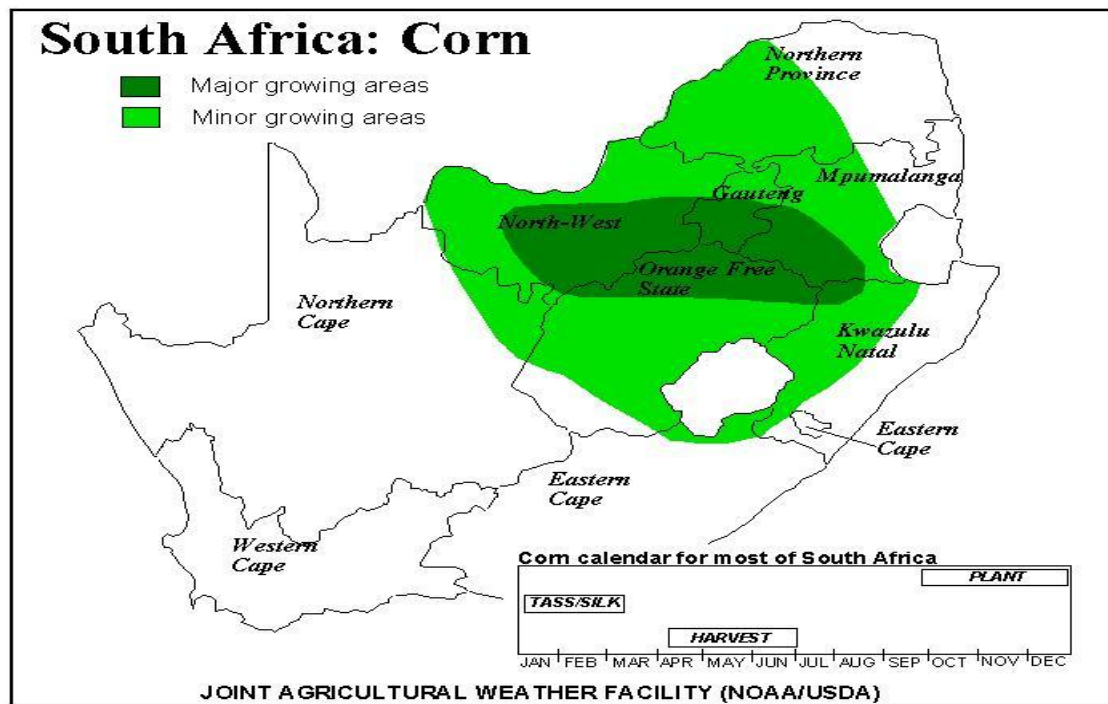
Main products produced: home/export markets

Products produced for the home market	Products produced for the export markets
Maize(corn) Dairy products Tea Cotton Sunflower seeds (used for vegetable oil) Soya beans (used for protein supplements) Sugar Vegetables Beef	Citrus Sugar Grapes Maize Fruit juice Wool Deciduous fruit Dairy products

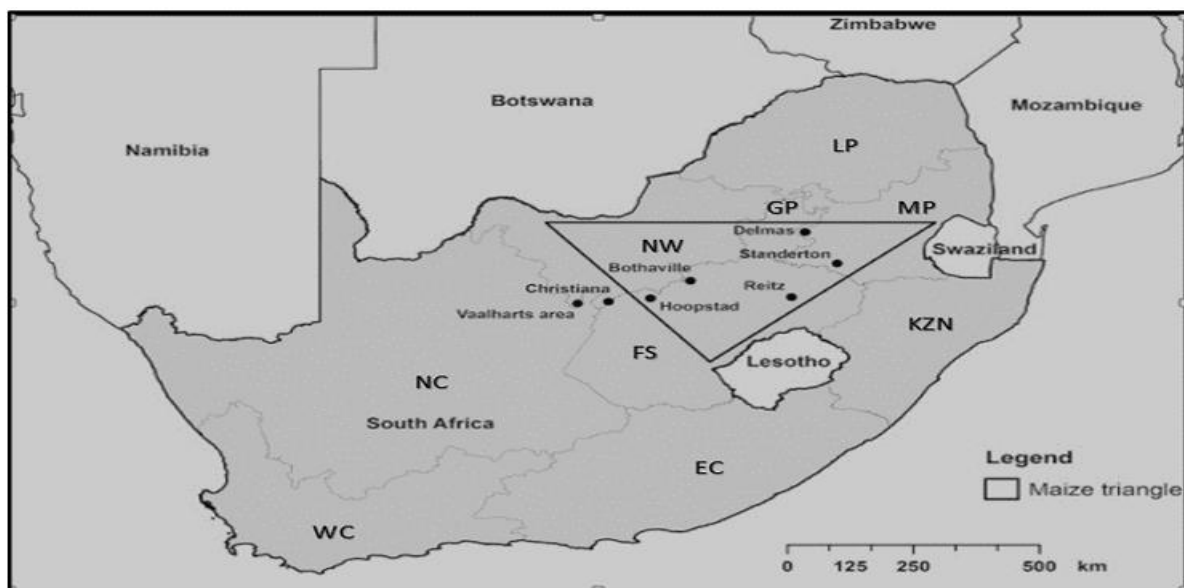
Maize Farming

Areas of production on a map

- Located in the Witwatersrand basin
- It is grown in specific area known as maize triangle that covers mostly Free State province, Mpumalanga and North West province
- It not grown in the central during winter because of lack of rainfall due to strong subsidence from the Kalahari anticyclone
- It is mostly grown in summer because the weak subsidence
- It is grown in the central plateau
- It is strongly grown in the Free State, Mpumalanga, Gauteng and Northern Cape
- Free State is the highest producer of maize and account for 30% - 40% of the national total.



www.grainsa.co.za



Self-study guide: Economic geography of South

Towns where maize is grown in across South Africa:

Free state

- Bothaville
- Reitz
- Hoopstad
- Bethlehem
- Franskfort
- Heilbron

Mpumalanga

- Bethal
- Delmas
- Standerton
- Machadodorp

North West

- Mahikeng
- Ottoadal and Coligny
- Zeerust
- Chriastiana

Kwa Zulu Natal

- Bergville
- Vryheid

Eastern Cape

- Mthatha
- Mbizana

ECONOMIC IMPORTANCE OF MAIZE PRODUCTION

- Create direct employment opportunities for the local people as a primary activity.
- It helps improve other sectors by providing them with raw maize.
- It boosts local economy through the exportation of raw maize.
- It is a multiplier effect as other sectors are located closer to maize farms such as maize factories.
- It is source of income for the local people.
- It the country to earn foreign exchange
- It can be used to make corn oil and alcoholic beverages that help to improve the economy of the country.

SOCIAL IMPORTANCES OF MAIZE PRODUCTION

- Alleviate poverty as it is the main staple food in the country.
- It contributes to food security as is creates direct and indirect employment to the local people

AGRICULTURAL IMPORTANCES OF MAIZE PRODUCTION

- Produces corn oil cake which is a residue that is used to feed cattle because it has fat and protein needed for cattle
- It is used for animal feed

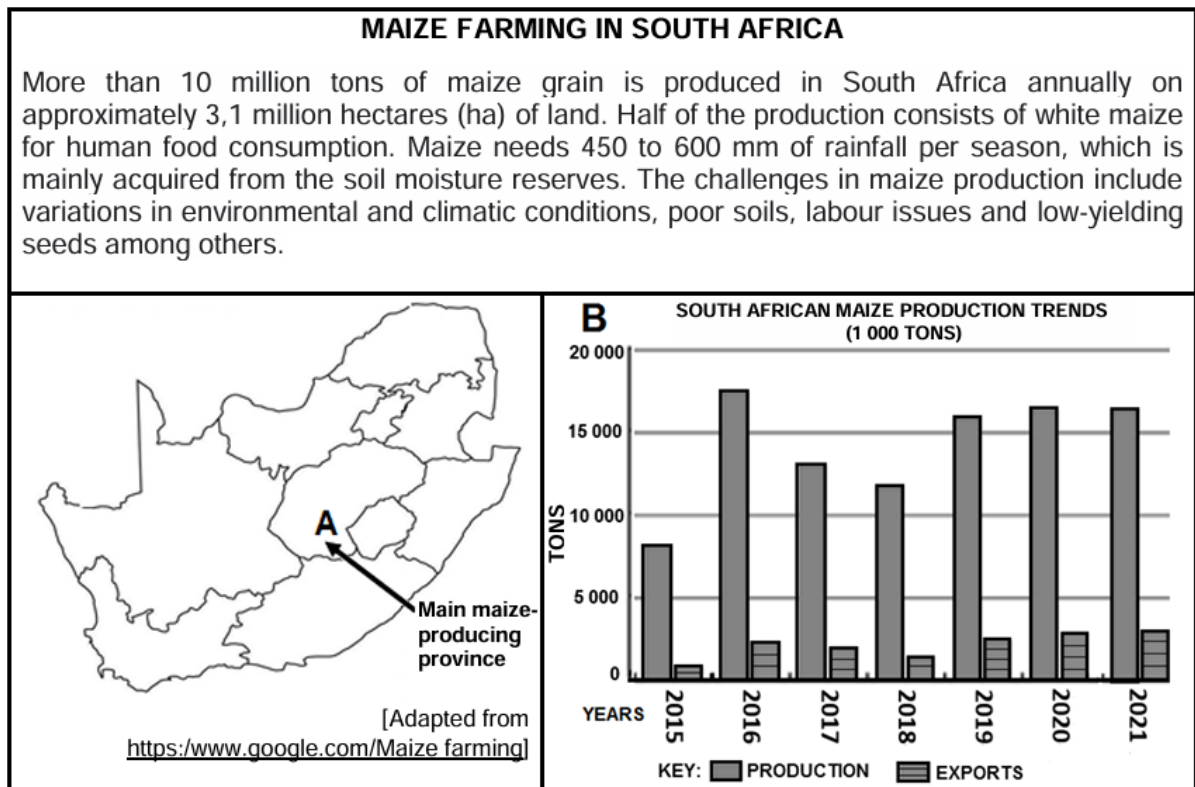
Challenges faced by maize industry

- Lack of rainfall in the central plateau during winter.
- The soil in the central plateau is not fertile and as a result, farmers spend more money on fertilisers

- Lack of subsidies from the government result in higher costs of maize production which ultimately increases the maize prices
- Pests and insects that destroy maize and production of maize decreases

ACTIVITY 14

14.1. Refer to the infographic on maize farming in South Africa below.



14.1.1. Name the main maize-producing province (A) in South Africa. (1 x 1) (1)

14.1.2. Refer to the graph. Compare the amount of maize produced to the amount that is exported. (1 x 2) (2)

14.1.3. Why does South Africa have a large domestic (local) market for maize? (2 x 2) (4)

14.1.4. How will climatic factors reduce maize production? (2 x 2) (4)

14.1.5. Explain the economic importance of maize production to the South African economy. (2 x 2) (4)

IMPORTANCE OF FOOD SECURITY IN SA

Food security refers to the availability of well-balanced meals on a regular basis

South Africa has high unemployment levels and high poverty levels. Hence, many

individuals and families have no food security at all.

South Africa faces moderate risk of food insecurity along with a number of other African states.

Factors contributing to Food Insecurity	How to improve on food security
Population growth Unemployment Poor soils Environmental degradation Uneconomical farm units Government corruption War and conflict Lack of capital to purchase equipment Shift to biofuel production Trade policies	Empowering women Planting a variety of crops Diversity of climate regions Sustainable agriculture Land reform programs & land redistribution strong trade relations Diversification of rural economies Processing crops Prevent soil erosion Efficient ways of storing food Reduce water wastage

ACTIVITY 15

15.1. Refer to the extract in figure 1.1 based on food security in South Africa

On national level, 44,6% or approximately two out of four households in South Africa are food secure. According to the conservation organisation World Wide Fund for Nature (WWF), South Africa will have to produce 50% more food by 2050 in order to feed an estimated population of 73 million people.

Food security is a global concern and in South Africa severe droughts have compounded the challenge, leading to production being affected and food prices increasing. Furthermore, farming technology is changing rapidly, sustainability is a priority and there continues to be a skills shortage in the agricultural sector. Not enough of our youth are interested in pursuing studies and a vocation in farming. The perception of farming is still largely outdated by the younger generation exists, despite the incredible advances in technology that have created many more opportunities and ways to grow food. Recruitment and motivating the next generation of emerging farmers should be a priority.

Despite these challenges the trends that have developed in SA agriculture are positive and need to be as the world looks at ways to feed a growing population of seven billion and counting.

Source: Adapted from <https://casidra.co.za/sa-agriculture-trends/>

Give ONE environmental factor from the article that is responsible for high food prices in South Africa

State how the environmental, mentioned in 1.1.1 impacted on food prices

Give the percentage of the South African population that is food insecure.

Discuss TWO factors that negatively impact food security in South Africa.

Write a paragraph of approximately EIGHT lines in which you propose sustainable measures that can be put in place to improve food security in South Africa.

Mining

- Contribution of mining to the South African economy
- Significance of mining to the development of South Africa
- A case study of one of South Africa's main minerals produced

EXAMINATION	YEAR	PRESCRIBED MINERAL
November 2026 May/June 2027	2026/27	Platinum

- Location of mineral studied on a map, identification and interpretation
- Apply factors that favour and hinder mining in South Africa to the main minerals above.
- Contribution of prescribed mineral to the South African economy

MINING



Importance of Mining to South Africa

- Large contribution to the GDP
- Multiplier Effect: additional economic development in response to a new or expanding part of the economy
- Exports of processed and unprocessed mineral products
- Mines are a large source of employment
- Mining attracts foreign investment
- Improvement and construction of infrastructure
- Development of link industries (supplies materials or equipment to another industry, or is dependent on another industry for materials and equipment)
- Growth of local industry

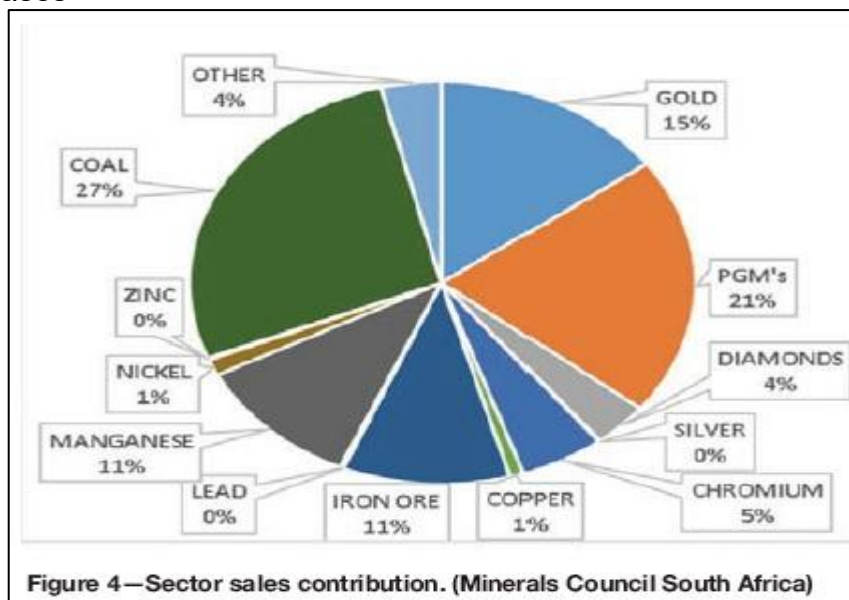
Factors Favouring Mining in South Africa

- Enormous reserves of minerals
- Rich geological history provides a wide variety of minerals
- Mineral seams are thick and continuous
- Most minerals are close to the surface
- Low thermal gradient: temperature does not increase rapidly with depth, therefore the cost of cooling the air pumped into the mines is reduced
- Coal was available for electricity
- Availability of low-paid labour

Factors Hindering Mining in South Africa

- Fluctuation in exchange rates

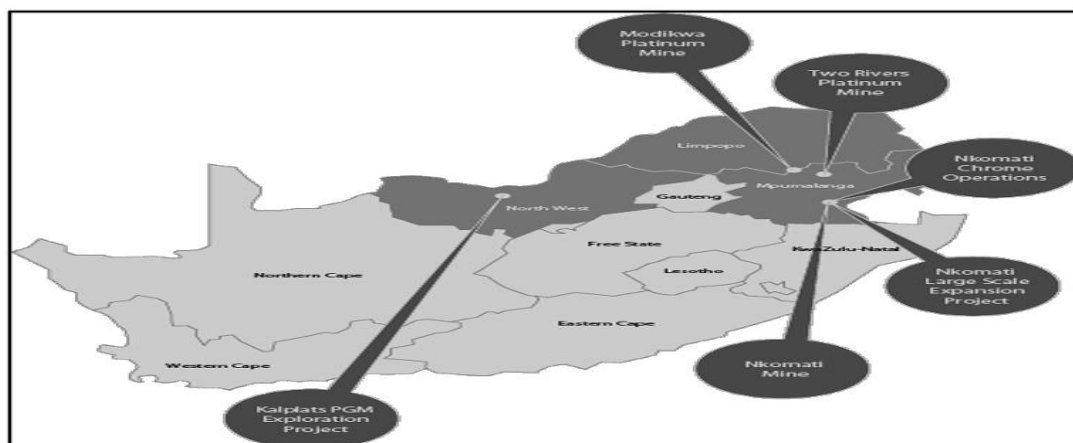
- Dangerous underground water
- Labour costs have risen steeply
- Environmental damage
- Mines far inland – transport costs raise price of minerals making them less competitive against global competition
- Chronic diseases



<https://scielo.org.za/>

PLATINUM MINING

Where is platinum mined in SA?



- It is mined at the Bushveld igneous complex which includes North West province and Limpopo province
- North West province account for 90% especially in the Rustenburg area

USES OF PLATINUM

- Throughout history platinum has been highly sought-after, revered and cherished. More than that, it is used for a myriad of applications and remains one of the most sought-after precious metals found on the planet.

- Traditionally platinum has been used to make coins, bullion and jewellery, but in recent times it has been used in a variety of less typical ways.
- It is used in vehicle catalytic converters to reduce pollution
- It has high corrosion resistance
- It is used for cancer treatment
- It is used as green energy technology such as fuel
- It is used to make electronics such as hard discs of the computers, LCD's, screen glasses, sensors and thermocouples
- It is used to make medical drugs such as cisplatin (a chemotherapy medication used to treat cancer)
- It is used to create silicones, nitric acids and fertilizers.

IMPORTANCE OF PLATINUM TO THE ECONOMY OF SA

- Platinum is contributing to the GDP because mining companies pay taxes to South Africa.
- Taxes from platinum mines stimulate the economic growth and development of South Africa.
- Contribute to the Johannesburg Stock Exchange (JSE).
- Platinum mines funded the development of infrastructure in South Africa.
- Platinum mines contribute to job creation in South Africa.
- Cities have developed in the gold regions e.g., Johannesburg.
- Platinum is an earner of foreign exchange.
- More investors will invest in South Africa as a result of exports.

FACTORS FAVOURING PLATINUM MINING IN SOUTH AFRICA

- Large platinum deposits in shaft and open pit mines.
- Modern technology used to extract platinum from the mines.
- Infrastructure available to transport platinum to local and international market.
- Large market for platinum due to its demands as it has many uses.
- Large labour force available to extract platinum from the platinum mines (skilled and unskilled).
- Good transport infrastructure makes it easier to transport platinum from the mines to the market.

FACTORS HINDERING GOLD MINING IN SOUTH AFRICA

- Labour unrests and protests/strikes in platinum mines such as LONMIN negatively impact on production of platinum.
- High taxes on platinum sales are paid on profits.
- Fluctuations in the platinum prices because of international exchange rates
- Safety problems/accidents onsite in platinum mines
- Foreign investors' concern about labour unrest.
- Power struggle between labour unions.
- Talks of nationalizing the platinum mines bring uncertainty.
- Chronic diseases impact negatively on platinum production and reduce profit as the platinum mines pay medical costs for labourers.
- Hard lock-down during pandemics such as SARS-COV 19 has an impact on production of platinum.
- Load shedding and water shedding negatively impact on platinum mines

- Long transport route to ports increases the transport costs.
- Exported platinum are dependent on the exchange rate.
- Environments have been destroyed by the mining activities.

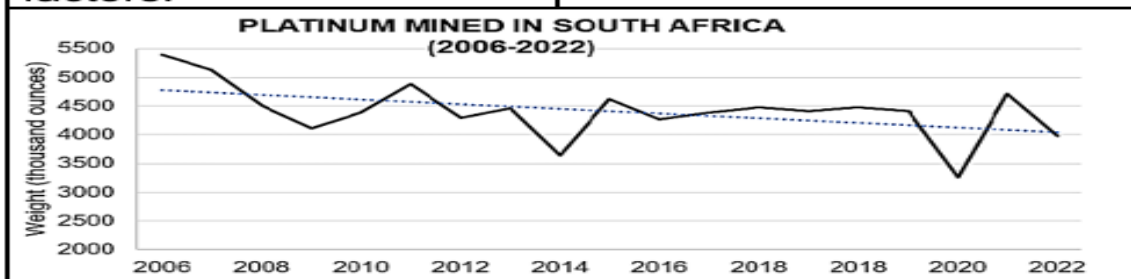
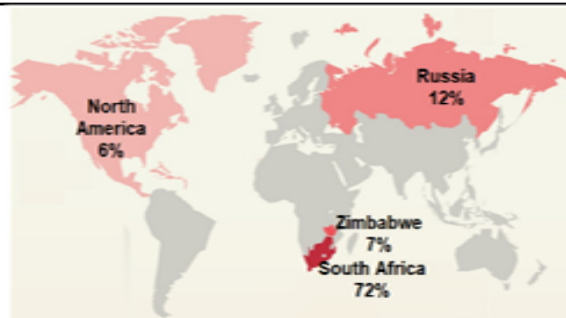
ACTIVITY 16

16.1. Refer to the infographic below on platinum mining in South Africa.

Platinum is one of the rarest metals in the world and is in high demand because of its wide range of uses.

South Africa has more than 80% of the world's platinum reserves with platinum being the primary revenue driver for mines in the country.

However, the South African platinum mining industry is not secure and the country's ability to supply platinum is being hindered by a number of factors.



[Adapted from <https://auctusmetals.com/south-african-platinum-mine-supply-in-decline/>]

- 16.1 According to the infographic, what percentage of global platinum is supplied by South Africa?
- 16.2 Quote from the infographic ONE physical factor that promotes platinum mining in South Africa
- 16.3 According to the graph, state the trend in South Africa's platinum production from 2006 to 2022
- 16.4 How has South Africa's dominant global position of platinum supply contributed to the country's infrastructural development?
- 16.5 In a paragraph of approximately EIGHT lines, explain how the economic factors hindering platinum mining in South Africa impact negatively on the country's GDP.

SECONDARY AND TERTIARY SECTOR

Secondary and Tertiary Sectors

South Africa's core/main industrial regions:

- Gauteng (PWV), Durban-Pinetown, Port Elizabeth-Uitenhage, South-western Cape
- Location of the above FOUR core industrial regions on a map

Contribution of secondary sector to the South African economy**Types of industries (definition, description, examples and characteristics):**

- Heavy and light
- Raw material orientated
- Market orientated
- Footloose industries
- Ubiquitous industries
- Bridge (Break of bulk)

Factors favouring industrial development in South Africa:

- Raw materials
- Labour supply
- Water supply
- Energy supply
- Transport
- Political intervention
- Competition
- Trade

Factors hindering industrial development in South Africa:

- Over-concentration
- Transport
- Air pollution
- Labour supply
- Water supply
- Energy supply
- Raw materials
- Political interference
- Competition
- Trade

EXAMINATION	YEAR	PRESCRIBED CORE INDUSTRIAL REGION
November 2025 May/June 2026	2026/27	Gauteng (PWV) and Gqberha

NOTE: The TWO prescribed core industrial regions stipulated for each year should be taught.

- Key facts to concentrate on with regards to the prescribed core industrial

areas

- Map showing their location
- Factors influencing the location of the prescribed industrial region
- Main industrial activities in the prescribed industrial region
- Factors that favour and hinder the continued success of the prescribed core industrial regions studied
- Economic and social impacts of the prescribed core industrial region
- Case studies to illustrate the above

Strategies for Industrial Development

Overview of apartheid industrial development strategy:

- The Good Hope Plan

Overview of post-apartheid industrial development strategies:

- The Reconstruction and Development Programme (RDP)
- Growth, Employment and Redistribution (GEAR)
- Industrial Development Zones (IDZs) and spatial development Initiatives (SDIs):
- Case studies of two Industrial Development Zones (IDZs) and Spatial Development initiatives (SDIs):

EXAMINATION	YEAR	IDZ	SDI
November 2026 May/June 2027	2026/2027	Coega	Wild Coast

Key facts to concentrate on regarding the prescribed IDZ's and SDI's

- Definition and difference between an IDZ and SDIs
- Map showing the location of prescribed IDZs and SDIs
- Factors influencing the location of the prescribed IDZs and SDIs
- Main industrial activities
- Factors that favour and hinder the development of the prescribed IDZs and SDIs
- Economic and social impacts
- Case studies to illustrate the above

Industrial centralisation and decentralisation

- Definition, causes, advantages/disadvantages and solutions
- Contribution of tertiary activities to the South African economy:
- Definition of tertiary activities
- Examples of tertiary activities
- The role of trade (local and international) in economic development (definition, balance of trade, trade agreements)
- The role of transport (public/private) in economic development
- Interpretation of graphs and tables on tertiary activities
- Case studies of contribution of tertiary activities to the South African economy

Secondary Sector/Manufacturing



- Conversion of raw material into fabricated items/ conversion of raw material

in semi-finished or finished goods.

- Types of Industries (heavy, light, raw material orientated, market orientated, footloose industries, ubiquitous industries, bridge industries)
- Factors influencing industrial development in SA (e.g. raw materials, labour supply, transport infrastructure, political intervention, competition and trade).
- The secondary industries compose 22% of the SA GDP.

This leads to:

- job creation
- economic empowerment of previously disadvantaged groups
- increase of raw material production
- acceleration of growth and development

FACTORS FAVOURING INDUSTRIAL DEVELOPMENT IN SOUTH AFRICA:

Raw Materials

- South Africa mines all the most important minerals found on Earth.
- Variable climate conditions allow for a wide diversity of crops be grown.
- Abundant resources and low production cost result in manufacturing, processing and construction.
- Huge deposits of coal for power generation were instrumental in the introduction of industrialisation in SA.

Energy

- SA has huge coal reserves, which help to keep the cost of electrical power low.
- Factories have special arrangements with ESKOM to buy cheap electricity.
- This factor attracted industries that are heavy users of energy to Gauteng, Mpumalanga and northern KwaZulu-Natal

Labour Supply

- There was an abundant source of cheap labour as well as skilled engineers.
- Therefore SA was able to produce goods at a low cost, making our goods appealing to foreign countries.
- Currently there is an industrial decline due to expensive labour and fewer skilled engineers

Transport Infrastructure

- South Africa has the best infrastructure in Africa.
- There is a dense network of railways and roads connecting harbours on the coasts of the country to the interior of the country.
- Harbours are instrumental in the export of goods out of South Africa.

- South Africa has international airports.

Political Intervention

- The government has raised capital to build additional dams and water transfer schemes. Thus, enabling more development to take place in all sectors.
- The governments new IDZ's and SDI's plans will develop industries leading to job creation.
- This includes Transnet which will be assembling new diesel trains for our railway network.
- Foreign investments are funding new vehicle assembly plants.

Competition and Trade

- SA markets small compared to those of Europe and China - competition
- There are 2 factors influencing competition and trade:
 1. Agglomeration
 2. Proximity to large markets and harbours

Agglomeration

- Agglomeration is the grouping of industries of a similar nature.
- They usually produce products needed by the industries situated in the same region.
- For example, a motor assembly may get parts such as tyres and windscreens from nearby factories.

Proximity to large markets and harbours

- Nearby harbours give industries the advantage of being able to ship their products overseas with far cheaper costs.
- Nearby markets reduce industries' transportation costs immensely.

Dominant secondary industries in SA

- agri-processing (farming products)
- automotive
- chemicals (soaps, plastics, cleaning liquids ect.)
- ICT and electronics (computers, TV's, cell phones ect.)
- metals (for construction)
- textiles, clothing and footwear

Heavy and Light Industry

Light Industry	Heavy Industry
-----------------------	-----------------------

Light weight raw materials Light machinery Small end product Little air pollution and noise No need for rail transport Tends to work during office hours Often close to suburbs and around the CBD	Large quantities of raw materials Heavy machinery Bulky end product Large amounts of noise and air pollution Direct access to road, rail and harbour facilities Tends to operate continuously with employees working shifts Far away from built-up areas and close to bulk transport facilities.
--	--

TYPES OF INDUSTRIES

Raw Material Orientated Industry

- These types of industries are found close to the source of the raw materials that they require. This is usually because transportation cost are high.
- For example, sugar mills are located close to the sugar fields.

Market Orientated Industry

- These types of industries are located close to the market. This is usually because the products are perishable and need to be sold relatively fresh.
- For example baked foods, vegetables and fish products.

Footloose Industry

- These industries can be located anywhere without effect from factors such as resources or transport.
- For example, a software company. It does not need to transport any raw materials and the product is non-perishable (it lasts forever)

Ubiquitous Industry

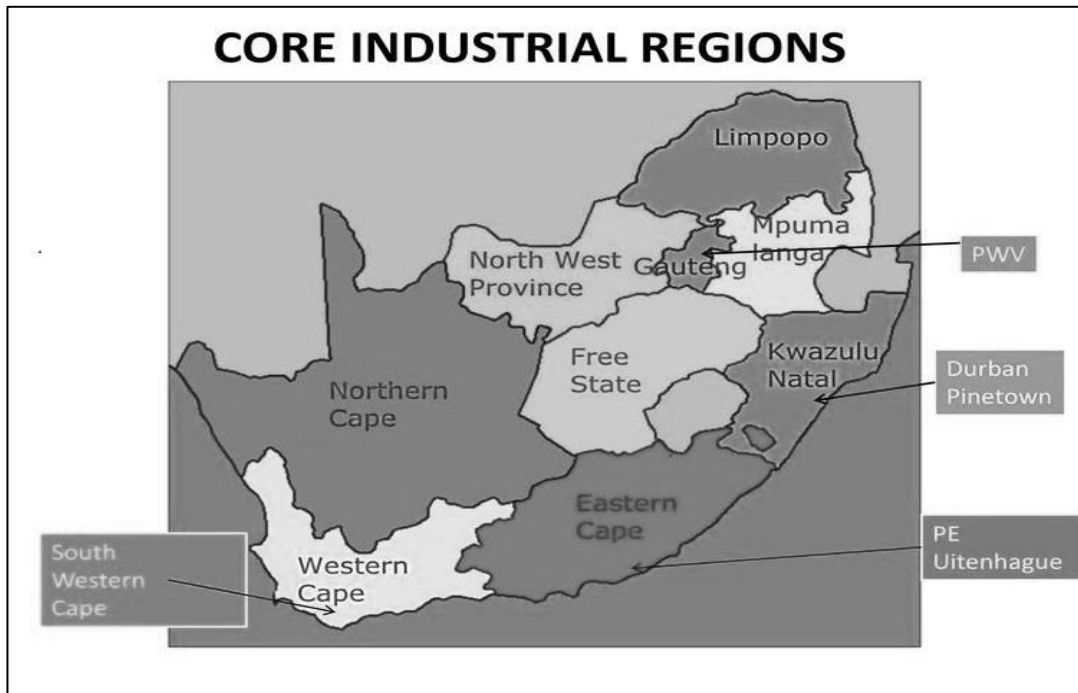
- These industries are not located at a particular space on a landscape.
- For example, Telkom is a ubiquitous industry because it has lines that cover entire suburbs.

Bridge Industry

- These industries are located between the raw materials and the market. Also known as “break-of-bulk” industries.
- For example, an oil refinery. Oil is pumped ashore, refined into products and

transported to the market.

CORE INDUSTRIAL REGIONS IN SOUTH AFRICA



Gauteng (PWV)

The largest industrial region in South Africa

The main industries in the PWV include: Metal, iron and steel, machinery, chemicals, transport, equipment.

Discovery of gold, Good agricultural land, Fast growing population provided market and labour. Availability of various raw materials made it possible for the development of these industries

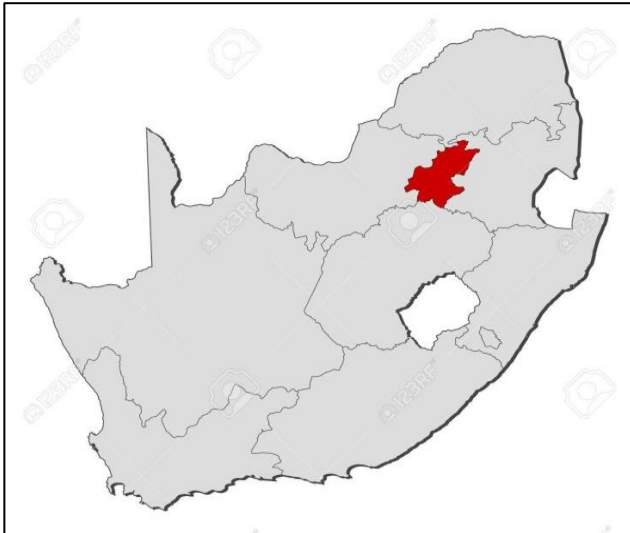
The Port Elizabeth Uitenhage (EXAM 2026)

The fourth largest industrial region in South Africa

The main industries include: Motor vehicle assembly plants, motor vehicle parts.

More than adequate water, Centrally located modern harbour, Equalized rail tariffs, and Large labour pool made it possible for industries in this region.

Gauteng (PWV) for exam 2026



The industrial region contributes the highest percentage share to the Gross Domestic Product (GDP) in almost all sectors of the South African economy such as manufacturing, construction, trade, finance, mining, with the exception of agriculture.

FACTORS FAVOURING LOCATION AND INDUSTRIAL DEVELOPMENT IN PWV/GAUTENG

- Large population/ready market
- Raw material available - mineral resources (gold), agricultural products.
- Large reserves of coal close to power supply.
- Large labour force- skilled and unskilled.
- Water available in the Vaal Dam/Lesotho Highlands water project
- Well-developed transport infrastructure
- Flat land makes construction easier.

MAIN INDUSTRIES

- Metal, Iron and Steel plants. (Vanderbylpark and Vereeniging)
- Motor Vehicles
- Chemicals – explosives
- Petrochemicals-Sasol
- Machinery

FACTORS HINDERING THE DEVELOPMENT OF PWV/GAUTENG REGION

- Pollution
- Far from the harbours – increase in transport costs
- Eskom power cuts have negative impact on production hours
- Labour strikes and unrest
- Destruction of the ecosystem
- Congestion and overpopulation

- Overutilization of resources

ACTIVITY 17

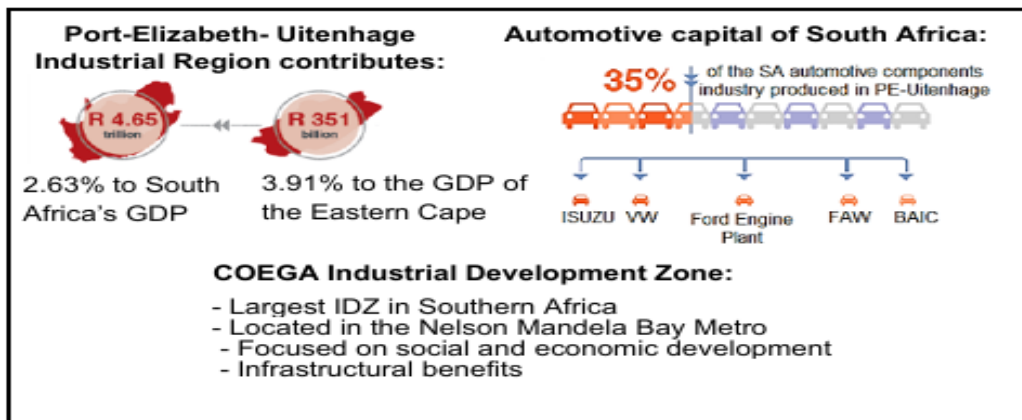
17.1. Read the extract in FIGURE 1.1 based on the PWV/Gauteng Industrial Region.

GAUTENG TO REMAIN DOMINANT IN SA ECONOMY UNTIL 2017 By Leandi Kolver Gauteng continued to dominate the South African economy, contributing nearly 35% to the national gross domestic product, until at least 2017. It is noted that Gauteng's provincial economy was 75% and was made up of tertiary sector industries, including trade, transport, finance and community services. The province was also regarded as the natural destination for international investors wishing to establish a springboard into Africa. The PWV/Gauteng Industrial Region's diversified manufacturing sector produced more than 50% of South Africa's manufactured exports. The PWV/Gauteng Industrial Region has a number of copper-processing industries, which is supported by raw materials from the Phalaborwa SDI. The diversified manufacturing sector, including copper, will face major challenges in the next three years, including challenges related to energy provision, labour, underinvestment in capital equipment and technology. [Adapted from http://www.engineeringnews.co.za/article/gauteng-to-remain-dominant-sa-economy-until-2017-2014-05-14/rep_id:4136]
--

- 17.1 Quote evidence from the article to support the statement that the PWV/Gauteng Industrial Region is a core industrial region. (1 x1)
- 17.2 Discuss ONE factor that has contributed to the PWV/Gauteng Industrial Region being a preferred destination for international investors. (1 x 2)
- 17.3 Gauteng's manufacturing sector is a major market for copper.
 Why is the Phalaborwa SDI the main supplier of copper to Gauteng? (1)
 How will the Phalaborwa SDI benefit from strengthening its trading links with Gauteng? (1 x 2)
- 17.4 Write a paragraph of approximately EIGHT lines explaining how energy provision and labour will become major challenges that the PWV/Gauteng Industrial Region will experience in the processing of copper in the next three years. (4 x 2)

ACTIVITY 18

- 18.1. Refer to the infographic below on the Port Elizabeth Uitenhage core industrial region and the Coega Industrial Development Zone (IDZ).

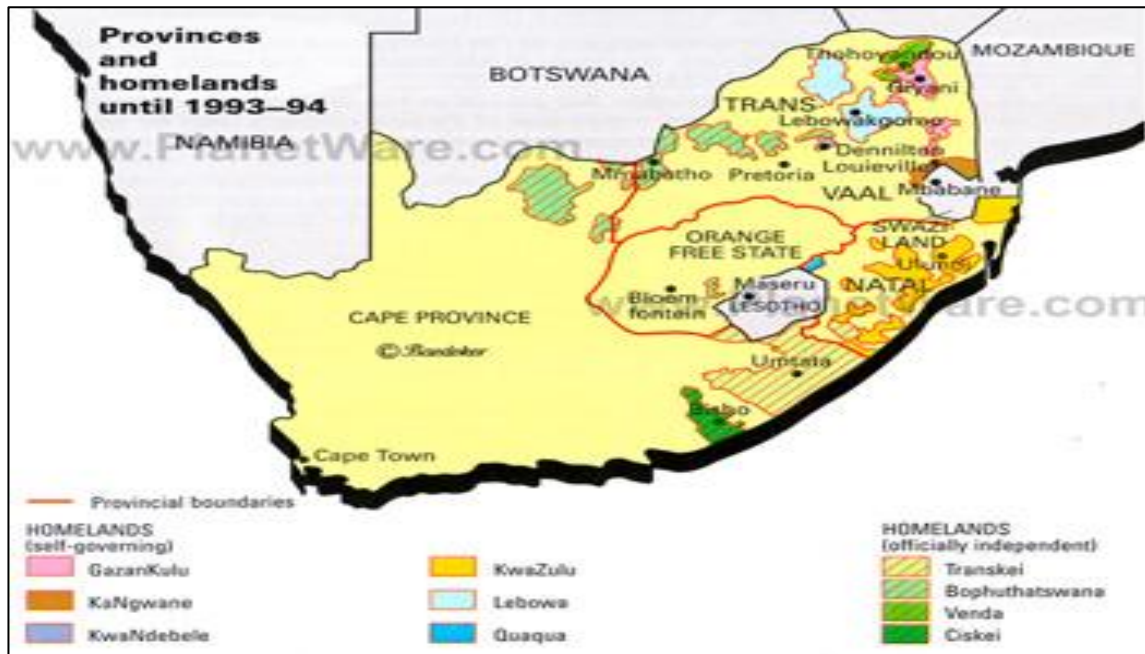


[Source: <https://www.investmentmonitor.ai/sponsored/plug-and-play-model-in-south-african-free-zone-helps-investors-access-opportunities/>]

- 18.1 What percentage did the Port Elizabeth Uitenhage core industrial region contribute to South Africa's GDP? (1 x 1) (1)
- 18.2 Quote evidence from the infographic why the Port Elizabeth-Uitenhage core industrial region is referred to as the automotive capital of South Africa. (1 x 1) (1)
- 18.3 Identify ONE company in the automotive industry that operates within the Port Elizabeth-Uitenhage core industrial region. (1 x 1) (1)
- 18.4 How does the automotive industry increase development of other industries in the Port Elizabeth-Uitenhage region? (1 x 2) (2)
- 18.5 Why does the region's infrastructure make it an attractive investment destination for the foreign manufacturing sector? (2 x 2) (4)
- 18.6 Explain how the Coega IDZ contributes positively to both social and economic development in the Eastern Cape Province. (3 x 2) (6)

STRATEGIES FOR INDUSTRIAL DEVELOPMENT

Apartheid Industrial Development Strategies



- Maintain South Africa as a white republic.
- Bantustan policy to keep black people in their ethnic homeland.
- Creating 10 homelands
- **Border industries** are growth points bordering the homelands
- Aim of border industries was to keep black people in homelands
- Incentives e.g. tax concessions, were created to attract industrialist to these areas
- It was aimed at benefitting the white population.
- **National Physical Development Plan** was also introduced in 1975. It had similar incentives as the border industries. It did only locate at growth points bordering the homelands but also in other locations
- **Good Hope Plan** was introduced in 1982. It focused on the basic needs philosophy. To provide the basic needs, food, clean drinking water, proper sanitation, housing, education, health care, employment in order for to allow people to be productive and live life with dignity.

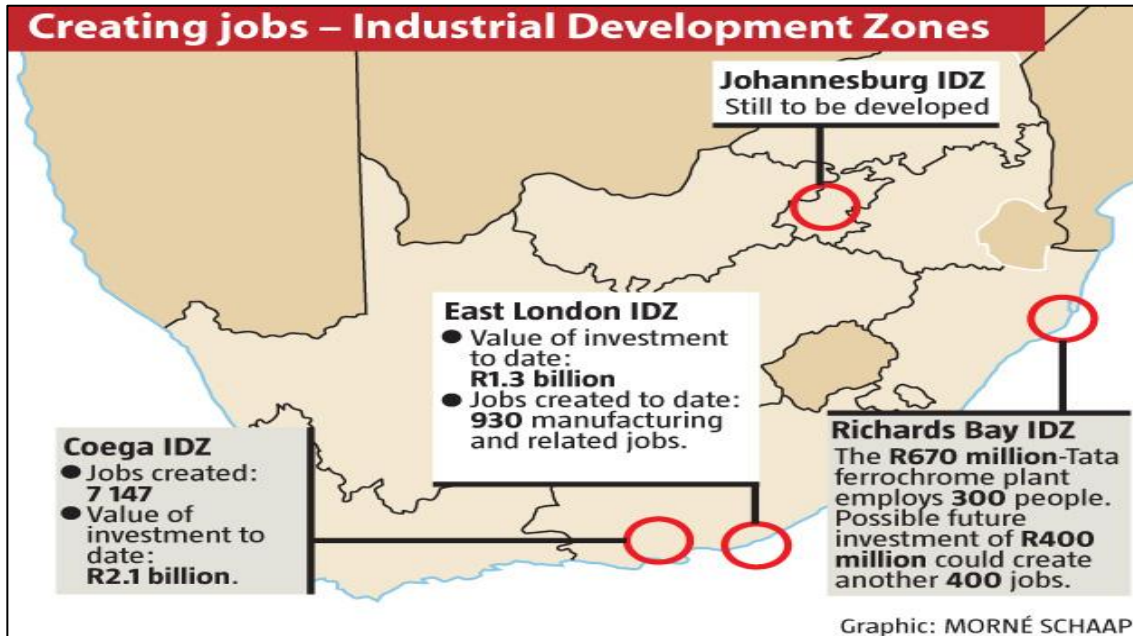
Post-Apartheid Industrial Development Strategies

- Aim was to address the inequalities created by the apartheid industrial development strategies through social, economic and political development of less developed areas
- **The Reconstruction and Development Programme (RDP)**. Aim was to eradicate the effects of apartheid and improve the quality of life of all South Africans by

providing them with the basic needs e.g. housing, electricity and clean water

- **Growth, employment and Redistribution (GEAR).** To improve the rate of growth of the economy in order to create sufficient employment for the population. The slow growth of the economy limited the success of GEAR.

INDUSTRIAL DEVELOPMENT ZONES



Industrial Development Zones Overview

An Industrial Development Zone (IDZ) is a purpose-built industrial estate linked to an international seaport or airport and which is capable of leveraging fixed direct investments in value-added and export-orientated manufacturing industries.

The aim of the IDZ programme

Industrial Development Zones (IDZs) are intended to promote the competitiveness of the manufacturing sector and to encourage beneficiation of locally available resources. Support could either include a turn-about strategy to attract investment or include a national programme for economic development to increase exports and the competitiveness of South African products.

Key objectives of the IDZ

- Attract foreign direct investment (FDI);
- Attract advanced foreign production and technology methods in order to gain experience in global manufacturing and production networks;
- Develop linkages between domestic and zone-based industries;
- Provide world-class industrial infrastructure.

The Spatial Development Initiative (SDI) programme is a short-term investment strategy that aims to unlock inherent economic potential in specific spatial locations in southern

Africa. The programme uses public resources to promote private sector investment in regions with a high potential for economic growth.

According to the Department of Trade and Industry (DTI), 'the South African government, in an effort to reposition itself in the world economy, established the Industrial Development Zones (IDZ) Programme and the Spatial Development Initiatives. **The Programme's main focus was to attract Foreign Direct Investment (FDI) and export of value-added commodities.**

The Spatial Development Programme (SDI) are used to initiate and support a series of development corridors stretching across parts of SA and in some cases, other countries.

The SDI's are an extension of the existing GEAR policy, which focused on growth, employment and redistribution.

SDI's aims

- To promote growth in those parts of SA that are underdeveloped but have the potential for growth.
- To develop and improve existing transport infrastructure
- To create an attractive environment for private sector investment
- To initiate and support economic activities along transport corridors.

COEGA INDUSTRIAL DEVELOPMENT ZONE

It is located in the Eastern Cape province, Gqeberha (Port Elizabeth).

Aims of Coega IDZ:

- ❖ Attract local and international investment.
- ❖ Create job opportunities.
- ❖ To encourage the development of manufacturing sector.
- ❖ To improve infrastructure.
- ❖ To use local natural resources for manufacturing.
- ❖ Help reduce the number of imported goods into South Africa. Main Economic Activities in Coega IDZ:
 - ❖ Agro- processing.
 - ❖ Automotive.
 - ❖ Chemicals
 - ❖ Energy
 - ❖ Business process outsourcing.

Factors promoting Coega IDZ:

- ❖ Good transport networks including the harbour.
- ❖ Large labour force.
- ❖ Large local market.
- ❖ Access to the international market.

Factors hindering the development of Coega IDZ:

- ❖ Lack of capital investment from the government.
- ❖ Lack of power and clean water.
- ❖ Shortage of skilled labourers.

The importance of Coega IDZ:

- ❖ Help develop the economy.
- ❖ Contributes the GDP of the country.
- ❖ Help with infrastructure development.
- ❖ Create employment opportunities.
- ❖ Help improve the quality of life and the standard of living.
- ❖ Offer skills to people through education and training programmes

WILD COAST SPATIAL DEVELOPMENT INITIATIVE

- ❖ It is located in the Eastern Cape province.

Aims of the Wild Coast

- ❖ To generate sustainable economic growth in the Eastern Cape.
- ❖ To create permanent employment to the people of Eastern Cape.
- ❖ To attract investment in community-based tourism sector.
- ❖ To help promote small businesses in agriculture and tourism.

Main Economic Activities:

- ❖ Agriculture.
- ❖ Tourism.

Factors promoting Wild Coast SDI:

- ❖ Availability of natural resources.
- ❖ Attractive geographical location.

Factors hindering Wild Coast SDI:

- ❖ Poor infrastructure.
- ❖ Poor rural economy.
- ❖ Unemployment.

The importance of Wild Coast SDI:

- ❖ Stimulate economic growth.
- ❖ Create employment opportunities.
- ❖ Help grow small businesses.
- ❖ Help with infrastructure development.
- ❖ Help with skills development.

- ❖ Improve basic services and facilities.

ACTIVITY 19

19.1. Read the following article regarding Coega

COEGA IS MAKING SIGNIFICANT PROGRESS TO IMPROVE THE EASTERN CAPE ECONOMY

The Coega IDZ (CIDZ) positively contributes to the Eastern Cape (EC) economy and spells signs of continued growth and improvement. The CIDZ performance during the 2017/18 financial year resulted in a contribution of approximately R3,9 billion to the Eastern Cape GDP. Latest results show contribution to economic income: R1,6 billion in national taxes; R1,38 billion in balance of payments; and R2,2 billion impact on households," says Dr. Ayanda Vilakazi, CIDZ unit head for marketing, brand and communications.

"According to the independent Muffin Report, which examined the impact of the Coega IDZ on local markets, production chains, exports, employment and wages, most of the 45 operational investors in the IDZ and Nelson Mandela Bay Logistics Park, created more than 100 full-time jobs on average and 69% of investors reported that their workforce increased over the last five years. 86% of investors revealed plans to expand their businesses in the near future, while some of them are either on their second or third expansion, such as Coega Dairy," says Dr. Vilakazi.

[Adapted from <https://www.coega.co.za/NewsArticle.aspx?objID=105&id=744>]

- 19.1.1. Define the term *Industrial Development Zone*. (1 x 2) (2)
- 19.1.2. In which province is the Coega IDZ located? (1 x 1) (1)
- 19.1.3. (a) What is meant by the balance of payment? (1 x 2) (2)
- (a) Explain how the Coega IDZ contributed R1.38 billion to the balance of payment. (1 x 2) (2)
- 19.1.4. Evaluate the economic impact of the Coega IDZ on the local market. (2 x 2) (4)
- 19.1.5. Suggest strategies with which national government can motivate potential investors to invest in the Coega IDZ. (2 x 2) (4)

ACTIVITY 20

20.1. Refer to the extract below on the Wild Coast Spatial Development Initiative (SDI)

N2 WILD COAST TOLL ROAD PROJECT – AN INCENTIVE FOR SUSTAINED DEVELOPMENT

The Wild Coast would be well served by the development of a road system to encourage tourism and open up the region to economic opportunities.

The N2 Wild Coast toll road project will benefit the local community during the construction process, as a number of direct jobs will be created. The new route will also provide a safer road network which will allow those living along the new road to benefit from road interchanges, pedestrian walkways, bridges and agricultural underpasses for livestock.

The social and economic impacts of the project will offer a significant injection for the local communities. It is estimated that income for the local industry will increase by R360,4 million and construction work will create 6 800 direct jobs, and between 21 300 and 28 100 indirect jobs.

The project to upgrade the N2 Wild Coast road from East London to Port Edward is an important initiative to unlock economic opportunities in some of the most impoverished (poorest) parts of the country.

However, cultural beliefs and traditional values are in conflict with economic development of the Wild Coast Spatial Development Initiative.

[Adapted from Sanral]

- 20.1.1. State ONE key objective of the Spatial Development Initiatives (SDI) in South Africa. (1 x 1) (1)
- 20.1.2. In which province is the Wild Coast Spatial Development Initiative (SDI) located? (1 x 1) (1)
- 20.1.3. According to the extract, by how much will the income of the local industries increase? (1 x 1) (1)
- 20.1.4. State TWO physical factors that would encourage tourism in the Wild Coast Spatial Development Initiative (SDI). (2 x 1) (2)
- 20.1.5. How would the N2 Wild Coast toll road project encourage economic development of the Wild Coast Spatial Development Initiative (SDI)? (2 x 2) (4)
- 20.1.6. Explain why the Wild Coast Spatial Development Initiative (SDI) has experienced challenges with regard to achieving its key objectives (goals). (3 x 2) (6)

TERTIARY SECTOR/SERVICES

The tertiary industry is the segment of the economy that provides services to its consumers, including a wide range of businesses such as financial institutions, schools and restaurants. It is also known as the tertiary sector or service sector.

Examples of tertiary industries may include:

- Telecommunication.
- Hospitality industry/tourism.
- Mass media.
- Healthcare/hospitals.
- Public health.
- Pharmacy.
- Information technology.
- Waste disposal
- International trade

International trade

	Product Exports 2018	Product Imports (2018)	Service Exports (2018)	Service Imports (2018)	GDP (2018)
Value	\$115B	\$95.5B	\$14.5B	\$15.6B	\$368B
Rank	36 of 222	37 of 221	27 of 88	27 of 88	US\$ Rank 32 of 196

Overview:

- In 2018 South Africa was the number 32 economy in the world in terms of GDP (current US\$), the number 36 in total exports,
- the number 37 in total imports,
- South Africa exported \$115B and imported \$95.5B, resulting in a **positive trade balance of \$19.6B**.
- The **top exports** of South Africa are Gold, Diamonds, Platinum, Cars and Coal Briquettes.
- The **top imports** of South Africa are Crude Petroleum, Refined Petroleum , Cars , Vehicle Parts, and Broadcasting.
- South Africa **exports** mostly to China, United Kingdom, United States, Germany and India, and imports mostly from China (\$17.3B), Germany (\$10.3B), United States, Saudi Arabia, and India.

ACTIVITY 21

21.1. FIGURE 1.1 is a cartoon on international trade.



[Source: Daily Maverick, 17/02/2021]

- 21.1 What evidence shows that the cartoon is based on international trade and not domestic trade?
- 21.2 Identify South Africa's trading partner from the cartoon
- 21.3 What evidence on the cartoon shows that South Africa is not China's only trading partner?
- 21.4 What is the significance of the caption 'Chinese takeaway' in the cartoon?
- 21.5 How does international trade benefit from the Gross Domestic Product (GDP) of South Africa?
- 21.6 Why does South Africa have a negative trade balance with China?
- 21.7 Explain the impact that a negative trade balance would have on the economy of South Africa.

INFORMAL SECTOR

DEFINITION

People not employed in the formal sector, not registered, do not pay tax

- Hawkers, parking guards, casual labourers



www.cartoonstock.com

CHARACTERISTICS OF INFORMAL SECTOR

- Workers are self-employed
- Casual labour
- Semi-skilled and unskilled workers
- Irregular working hours and uncertain wages
- Cheap raw materials and often the quality of goods is low
- No fringe benefits like pension or medical aid
- Absence of trade unions
- Lack of official recognition and protection
- Little job security
- Many of the traders were women

Graph 1



Source: Stats SA, 2003

It is evident that the informal sector makes up a large part of the economy. Close to 1 in 5 workers were involved in the informal sector in 2003 and I'm sure by now it is definitely 1 in every 5.

Why are these stats so high?

- As unemployment increases, so does the informal sector.
- Under apartheid, black people were denied entry to much of the economy except as unskilled or semi-skilled labourers. With many of these people unable to get education they enter into the informal sector.
- Many informal jobs are carried out by non-South Africans.
- There are too many people in our country that do not have the skills and qualifications to get proper jobs in the formal sector which is why the informal sector is growing.

IMPORTANCE OF THE INFORMAL SECTOR

- Provides income
- Decreases unemployment
- Lower prices for goods
- People develop entrepreneurial skills

PROBLEMS/CHALLENGES

- Harassed by local authorities
- No access to proper trading facilities
- Exposed to the weather
- Do not get loans from banks
- Unreliable income
- People have little time or incentive to improve their education or training

HOW CAN THE INFORMAL SECTOR BE IMPROVED?

- Local authorities can provide specific areas for trading
- Can provide infrastructure such as hawker stalls
- Provide loans and financial advice for the sector to grow
- Register businesses

ACTIVITY 22

22.1. Refer to the extract based on the informal sector.

INFORMAL SECTOR IN A DANGEROUS CONDITION; PULL BILLIONS TO THE ECONOMY BY

Government and business interventions during the crisis focused mainly on the formal economy; thus, the informal sector was ignored and the most vulnerable people in society were left defenseless.



Examples include food and flea markets, street vendors and laundries, mostly in rural and informal settlements. It is considered informal as it is rarely registered at national or regional level, is cash-based and therefore does not pay taxes, and usually does not have a formal agreement with employees.

The informal sector also stands as the 'shadow' economy is known and therefore it is overlooked or not considered favorably during policy formulation. It is often underestimated in business strategies and easily associated with corruption.

[Source:<https://www.mosselbayadvertiser.com/News/Article/National/informal-sector-in-dire-situation-yet-contributes-billions-to-economy-2020042410431>]

- 22.1 Define the concept informal sector
- 22.2 Give an example of an informal activity in the extract
- 22.3 Why is the informal sector seen as part of a 'shadow' economy? Quote from the extract
- 22.4 In a paragraph of about EIGHT lines, it proposes sustainable strategies that the government and businesses can implement to strengthen the informal sector

