SESSION 13: PEOPLE AND THEIR NEEDS

KEY CONCEPTS:

In this session, we will consider the following:

- Economic Activities
- Agriculture as an Economic Activity
- Industry as an Economic Activity
- Factors Favouring and Hindering Industry Development in Various Regions
- Industrial Centralisation
- Human-environment Interactions
- Factors Influencing Economic Activities

X-PLANATION:

ECONOMIC ACTIVITIES:

[Diagram showing classification of economic activities, factors influencing economic activities, perceptions of decision-making, historic manufacturing regions, and special development initiatives (SDIs).]

Definitions:
- Primary
- Secondary
- Tertiary
- Quaternary
AGRICULTURE AS AN ECONOMIC ACTIVITY:

Farming in Rural Areas

Farming occurs in a number of ways in rural areas.

Intensive Farming
- Many workers are needed
- Very productive, high yields per hectare
- Much money is needed for development, mechanization
- Example: a vegetable farm south of Johannesburg, a pig farm near Estcourt.

Extensive Farming
- Very large farm
- Few workers needed
- Usually on land that is less fertile
- Example: sheep farm in the Karoo

Mixed Farming
- Many different crops and animals are farmed
- Example: a wheat farmer near Caledon who also breeds ostriches.

In South Africa, our farmers may be subsistence or commercial farmers.

<table>
<thead>
<tr>
<th></th>
<th>Subsistence Farming</th>
<th>Commercial Farming</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aim</strong></td>
<td>Produce food to feed family and dependents</td>
<td>Produce a surplus to be sold to make a profit, market driven.</td>
</tr>
<tr>
<td><strong>Type</strong></td>
<td>e.g. Farmer grows maize, vegetables and keeps chickens and cattle</td>
<td>Intensive or extensive farming. e.g. Sugar cane farmer in KZN Maize farmer in the Free State</td>
</tr>
<tr>
<td><strong>Method</strong></td>
<td>Traditional Manual labour.</td>
<td>Scientific farming, mechanized, makes use of latest technology</td>
</tr>
<tr>
<td><strong>Land Ownership</strong></td>
<td>May not own land, communal grazing, land shared by many</td>
<td>Large farm, single land owner, fewer houses on land</td>
</tr>
<tr>
<td>Challenges</td>
<td>Farmers</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td>- Struggle to survive in times of drought</td>
<td>- May diversify, can borrow money from banks, may have insurance against disasters</td>
<td></td>
</tr>
<tr>
<td>- Many dependants to feed</td>
<td>- Affected by changes in world markets</td>
<td></td>
</tr>
<tr>
<td>- Often cannot make own choices</td>
<td>- Value of the Rand changes affecting exports and imports.</td>
<td></td>
</tr>
<tr>
<td>- Young people have left for urban areas</td>
<td>- High interest rates i.e. expensive to borrow money.</td>
<td></td>
</tr>
<tr>
<td>- No money available for development of land.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Agriculture as an economic activity:

<table>
<thead>
<tr>
<th>Factors</th>
<th>Promoting agriculture</th>
<th>Limiting agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical</td>
<td>- Generally flat relief with low-lying hills</td>
<td>- Steep, undulating landscapes in some parts</td>
</tr>
<tr>
<td></td>
<td>- Rivers, lakes and dams serve as a source for irrigation</td>
<td>- Shallow soil in some areas</td>
</tr>
<tr>
<td></td>
<td>- Deep, fertile soil in some areas is good for crop farming</td>
<td>- Only ±13% of surface area can be used for crop farming</td>
</tr>
<tr>
<td></td>
<td>- Only ±13% of surface area can be used for crop farming</td>
<td>- Lack of perennial rivers, so we need dams and water transfer schemes</td>
</tr>
<tr>
<td></td>
<td>- Lack of perennial rivers, so we need dams and water transfer schemes</td>
<td></td>
</tr>
<tr>
<td>Climatic</td>
<td>- Seven climate regions ranging from Mediterranean to subtropical to semi-desert allow for a diversity of agricultural farming</td>
<td>- Low annual average rainfall</td>
</tr>
<tr>
<td></td>
<td>- More farmers are able to cope with drought by building dams and furrows to secure water</td>
<td>- Rainfall distribution uneven across the surface area</td>
</tr>
<tr>
<td></td>
<td>- More farmers are able to cope with drought by building dams and furrows to secure water</td>
<td>- Vulnerability to drought, which increases with climate change</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- High variability of temperatures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Increase in temperatures because of climate change</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- More pest attacks as a result of increase temperatures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Increase in temperatures leads to the loss of moisture in soil (known as soil degradation)</td>
</tr>
<tr>
<td>Socio-economic</td>
<td>- Seven commercial ports allow for a diversity of agricultural farming</td>
<td>- Rural poor have small plots or no land</td>
</tr>
<tr>
<td></td>
<td>- Education in agriculture has improved farming yields</td>
<td>- Lack of human resources to manage and help on farms</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- HIV/AIDS and other related illnesses impact on the available human resources</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Animal diseases threaten livestock</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Lack of training for farm workers to improve their methods of farming</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Lack of capital</td>
</tr>
</tbody>
</table>
Physical, climatic and socio-economic factors influence agriculture:
Agriculture and its development are important to the South African economy because agriculture:
- Produces products for export, which earns foreign income
- Provides food for the increasing population
- Creates employment, which helps to alleviate poverty in rural areas
- Produces raw material for secondary activities

The output of agriculture in South Africa is increasing, but its contribution to the GDP is decreasing. This is because the importance of secondary and tertiary industries is growing, and income from these industries is higher.

Economic Activities Summary:

1. Economic activities are all the activities that contribute to the GDP (gross domestic product) of a country.
2. GDP measures the value of goods and services produced in a country in one year. GDP per capita is the GDP divided by the country’s population.
3. South Africa has a mixed economy – a mixture of primary, secondary, tertiary and quaternary activities

<table>
<thead>
<tr>
<th>Economic activity</th>
<th>Description</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>Extracting raw material from the earth</td>
<td>Agriculture (farming), forestry, fishing, hunting, mining and quarrying.</td>
</tr>
<tr>
<td>Secondary</td>
<td>Processing of raw materials &amp; Manufacturing of finished goods</td>
<td>Manufacturing, building, construction, electricity, water.</td>
</tr>
<tr>
<td>Tertiary</td>
<td>Services (which become more dominant as a country develops)</td>
<td>Financial, professional (health, education, tourism, recreation, entertainment, local government, police) and personal services, retail and wholesale, transport and communications.</td>
</tr>
</tbody>
</table>
INDUSTRY AS AN ECONOMIC ACTIVITY

Types of Industry:

1. **Heavy industry**
   - Requires a large quantity of raw materials
   - Usually pollutes
   - Bulky end products
   - Uses heavy machinery

2. **Light industry**
   - Requires a large market and access to customers
   - Light weight raw materials
   - Uses light machinery
   - Small end product

As a result of **globalisation** companies have been able to spread and operate around the world. This has opened up new markets for them and has given them access to new sources of raw materials.

Factors influencing the location of industries:

<table>
<thead>
<tr>
<th>The location of industry depends on what is being produced</th>
</tr>
</thead>
</table>

1. **Physical Factors:**
   - Heavy industry needs to be near raw materials such as coal, iron ore and electricity. These industries also need mass transport like railways and water transport.

2. **Economic Factors:**
   - Certain industries need to be near their markets, e.g. service industries. Certain activities also require large amounts of capital input and are near large markets.

3. **Social Factors:**
   - Each manufacturing activity requires different amounts of labour, both in terms of quantity and skill levels. For example, a mine requires large numbers of miners but they need not be very skilled. A finance house may only require few personnel but they would be highly skilled.

4. **Political Factors:**
   - The government may decide where to establish industries (e.g. Coega).
FACTORS FAVOURING AND HINDERING INDUSTRIAL DEVELOPMENT IN VARIOUS REGIONS:

Traditionally South Africa has four manufacturing regions, namely the PWV complex of Gauteng, the Durban-Pinetown region, the South-western Cape region and the Port Elizabeth-Uitenhage region.

The Pretoria-Witwatersrand-Vaal complex (PWV)

- Main Industries: Metal, iron and steel, machinery, chemicals transport, equipment
- Reasons for development:
  - Discovery of gold
  - Good agricultural land
  - Fast growing population provided market
  - Availability of various raw materials
  - Water available
  - Good transport network linked to ports
  - Huge capital availability
- Limitations:
  - Water will become scarce
  - Housing and social necessities no longer adequate
  - Far from harbour

Durban-Pinetown-Pietermaritzburg Region

- Main Industries: Sugar, chemicals, paint, textiles, shipping
- Reasons for development:
  - Port location
  - High population concentration with skilled and unskilled labour
  - Availability of resources as well as imports
  - High rainfall for good water supply
  - Energy – availability of coal
  - Suitable relief
  - Market availability
- Limitations:
  - Harbour developed to capacity
  - Hilly topography limits space
INDUSTRIAL CENTRALISATION:

1. **Industrial centralisation** is the high concentration of industries and people in a specific area. Industrial centralisation contributes to South Africa’s economic development through:
   - Job creation
   - Income earned from export products
   - Encouraging foreign investment
   - Stimulating agriculture and mining
   - Development of infrastructure

2. **Problems associated with industrial centralisation** are:
   - Overcrowding
   - Insufficient jobs and housing
   - Strain on infrastructure and resources
   - Excessive pollution

3. To encourage decentralisation of four core industrial areas, the government promotes new industries in areas where economic development is needed. This is done by:
   - Offering tax rebates
   - Providing land, buildings and transportation cheaply
Economic development programmes are: Industrial Development Zones (IDZs), Spatial Development Initiatives (SDIs), the Reconstruction and Development Programme (RDP) and the Growth Employment and Redistribution Plan (GEAR).

IDZ East London:  [http://www.elidz.co.za/](http://www.elidz.co.za/)

Spatial Development Initiatives (SDIs):

An integrated planning tool aimed at promoting investment in regions of the country that were underdeveloped but had potential for growth. The methodology involves a process in which the public sector (government) develops or facilitates conditions conducive to private sector investment and Public-Private-Community Partnerships.
Industrial Development Zones (IDZs):

An IDZ is a purpose-built industrial estate geared for duty-free production for exports, and plays a hugely important part in South Africa’s macro-economic policy. It provides transport, logistics and business services tailored for export-oriented industries.
The Growth Employment and Redistribution Plan (GEAR):

In 1996 the South African government created a five-year plan called the Growth, Employment, and Redistribution (GEAR) plan, which focused on privatization and the removal of exchange controls.

1. INTRODUCTION

1.1 A Long-run vision

As South Africa moves toward the next century, we seek:
- a competitive fast-growing economy which creates sufficient jobs for all workseekers;
- a redistribution of income and opportunities in favour of the poor;
- a society in which sound health, education and other services are available to all; and
- an environment in which homes are secure and places of work are productive.

A strategy for rebuilding and restructuring the economy is set out in this document, in keeping with the goals set in the Reconstruction and Development Programme. In the context of this integrated economic strategy, we can successfully confront the related challenges of meeting basic needs, developing human resources, increasing participation in the democratic institutions of civil society and implementing the RDP in all its facets.

HUMAN-ENVIRONMENT INTERACTIONS

Human-Environment Interactions:
Human-environment interactions often lead to environmental problems. Social, political and economic factors shape societies and have different impacts on the environment. Environmental problems are, therefore, caused by social processes.

Environmental Injustice is defined as the unfair treatment, discrimination and disregard for people with respect to environmental risks or hazards and with respect to environmental risks or hazards, and with respect to the benefits of natural resources. Environmental injustices imposed on people include:

- Unequal access to decision-making processes
- Unequal distribution of resources
- Limited or no protection from environmental health hazards, such as mine dumps, the dumping of asbestos and pollution (air, noise, and water)

Social injustice can be defined as the unequal distribution of benefits and hardships in society. In geography, we are particularly concerned with where advantaged and disadvantaged people live and how this affects them in the present and the future. Groups of people are discriminated against, or oppressed, because of race, class or gender.

In South Africa these two terms can easily be applied to those who were disadvantaged during Apartheid, e.g. squatters in cities, rural communities.

People Need:
- Access to natural resources
- An equal say in decision-making
- Access to land
- Protection against economic damage caused by environmental degradation
- Access to services to provide a clean living environment.
- The main social economic and social development programmes that were implemented in South Africa since 1994, were RDP housing, GEAR, and SDIs.

Companies that have offices in more than one country are called Transnational Corporations (TNCS). An example would be Pick ‘n Pay. Companies that have spread to numerous countries are called Multinational Corporations (MNCs). Examples include Microsoft, Coca Cola, SAB (South African Breweries).

A Footloose industry is an activity that is not tied down to any one place. It is not restricted by labour or raw materials. An example would be the IT industry as members can be linked easily by telephone, internet, etc.

Greenfield sites are new industrial areas that are often found on the edge of the city (rural-urban fringe), where property is cheap and access by road is easy. A footloose industry may well decide to occupy a Greenfield site.
A **Brownfield site** is an old industrial site that has been contaminated by pollution. The land is, therefore, cheap but activities avoid it because of the pollution. Eventually some business decides to buy the land, clean it up and use it because of its good location.

**FACTORS INFLUENCING ECONOMIC ACTIVITIES:**

Remember that these factors can influence the specific economic activities in different ways.

Decision-makers and the various factors influencing the decision-making process influence the location of industries and other economic activities. These can be related back to the factors influencing economic development already discussed. At this stage we should link these factors to the various provinces. This in turn has an impact on the spatial distribution of industries in South Africa.
X-AMPLE QUESTIONS:

QUESTION 1:

1.1 Refer to the figure, which illustrates the **dual economy of South Africa’s farming activities**. Choose the correct letter from those given in brackets to make ALL the statements TRUE. Write only the letter next to the question number (1.1.1 – 1.1.5).

1.1.1 Diagram (A/B) illustrates commercial farming.
1.1.2 Diagram (A/B) will provide food security to South Africa.
1.1.3 Farmers in diagram (A/B) will suffer worse consequences during times of drought.
1.1.4 The implementation of Agenda 21 will be of greater value to farmers in diagram (A/B).
1.1.5 Farmers in diagram (A/B) will make a greater contribution to South Africa’s GDP.

(5x2) [10]
QUESTION 2:

2.1 Define the following concepts:
   2.1.1 Heavy industry (1x2) (2)
   2.1.2 Light industry (1x2) (2)

2.2 What is an ubiquitous industry? (1x2) (2)

2.3 Name TWO key objectives for creating IDZs. Are these key objectives feasible for local people? (2x2) (4)

2.4 Name TWO problems associated with industrial centralisation. (2x2) (4)

2.5 Provide ONE solution to the problems caused by industrial centralisation. (1x2) (2)

2.6 Look at the map below and answer the questions that follow

2.6.1 Identify the industrial areas marked A, B, C and D respectively. (4x1) (4)
2.6.2 Provide TWO factors that promote industry at A. (2x2) (4)
2.6.3 State the main type of industry found at B. (1x2) (2)

QUESTION 3:

3.1 For each of the four main industrial zones in South Africa, give an example of one main industry. (4x2) (8)

3.2 SDIs and IDZs are economic development programmes. Which economic activity do they promote? (1x2) (2)

3.3 Briefly discuss the negative and positive impact that SDIs and IDZs have had on economic growth in South Africa. (5x2) (10)
QUESTION 4:

4.1 Provide suitable explanations for the following terms:
   4.1.1 Gross domestic product
   4.1.2 Quartenary activities
   4.1.3 A footloose industry
   4.1.4 A brownfield site
   4.1.5 A trade surplus
   (5x2) (10)

4.2 In the Post-Apartheid years the government has tried to address the inequality caused by Apartheid. List THREE policies that have been introduced to attempt to address inequality in South Africa. (3x2) (6)

4.3 Despite these policies, unemployment remains very high, with a high percentage of people employed in the informal sector.
   4.3.1 What is the informal sector? (3x2) (6)
   4.3.2 What are the problems associated with working in the informal sector? (4x2) (8)

4.4 Why do some companies employ people as casuals/informal workers instead of full-time staff? (3x2) (6)

QUESTION 5:

Read the story below, which is based on the town of Kano in Nigeria, and refer to the figure on the following page.

People in Kano are cutting down trees and shrubs to meet their demands for fuel wood. About 40km around Kano has already been stripped of trees. Urban growth has increased pressure on the countryside and city. Farming patterns have been forced to change, where cash crops are grown on soils that are not suitable for them. Subsistence farmers are unable to pay their rent and are forced to leave their land. New landowners are reluctant to farm, as there is a greater demand for money to be made by selling the land for urban development.
5.1 What are the TWO main reasons for the removal of the trees around Kano? (2x2) (4)

5.2 Describe ONE impact of urban growth on farming. (1x2) (2)

5.3 State THREE negative effects that the removal of the trees will have on the environment. (3x2) (6)

5.4 Suggest TWO ways in which the local community can be encouraged to stop destroying the trees. (2x2) (4)

[16]

QUESTION 6:

One of the main characteristics of South Africa is the extreme economic inequalities found in society. These differences are on a:

(A) Provincial  
(B) Racial  
(C) Gender  
(D) Urban/rural Basis

Suggest one practical solution for each of the 4 headings in order to help address economic inequalities. (Briefly explain each point). (4x2) [8]
**X-ERCISE QUESTION**

**QUESTION 1:**

Industries make a great contribution to South Africa’s GDP. South Africa’s industries are centralised in four core industrial areas.

1.1 Name South Africa’s largest industrial region. 

1.2 Briefly discuss any TWO factors that promoted industrial development in South Africa. 

1.3 Briefly discuss any TWO factors that are currently restricting industrial development in South Africa. 

1.4 Of what importance is industrial growth for the development of South Africa’s economy? 

1.2 Various strategies (measures) have been introduced to decentralise industrial development in South Africa. Name TWO incentives that could convince an industrialist to move his/her industry out of a centralised location.

**QUESTION 2:**

2.1 What does the term “rainfall variability” mean? 

2.2 Which factor is the main contributor to rainfall variability in South Africa? 

2.3 How does El Niño affect rainfall in South Africa? 

2.4 What atmospheric cell over South Africa is affected by El Niño and how does this affect rainfall? 

2.5 Besides the lack of rainfall, how else may rainfall not actually benefit farmers?
QUESTION 3:

3.1 Look at the table below and then answer the questions that follow.

<table>
<thead>
<tr>
<th>Primary activities</th>
<th>3%</th>
<th>Agriculture, forestry and fishing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9%</td>
<td>Mining and quarrying</td>
</tr>
<tr>
<td>Secondary activities</td>
<td>17%</td>
<td>Manufacturing</td>
</tr>
<tr>
<td></td>
<td>2.5%</td>
<td>Electricity and water</td>
</tr>
<tr>
<td></td>
<td>3.5%</td>
<td>Construction (contractors)</td>
</tr>
<tr>
<td>Tertiary activities</td>
<td>13%</td>
<td>Wholesale and retail trade, catering and accommodation</td>
</tr>
<tr>
<td></td>
<td>8%</td>
<td>Transport, storage and communication</td>
</tr>
<tr>
<td></td>
<td>22%</td>
<td>Finance and insurance, real estate and business services</td>
</tr>
<tr>
<td></td>
<td>6%</td>
<td>Personal services</td>
</tr>
<tr>
<td>Quaternary services</td>
<td>16%</td>
<td>General government services</td>
</tr>
</tbody>
</table>

South African GDP per sector, second quarter 2009

*Source: Statistics from South African Reserve Bank (www.reservebank.co.za)*

3.1.1 Which activity contributed the most to GDP in 2009?
   Name THREE factors that influence these activities. (4x2) (8)

3.1.2 Which activity contributed the least to GDP in 2009?
   Explain the importance of this activity for the economy as a whole. (3x2) (6)

3.1.3 Give THREE examples of how social factors can negatively affect economic activities. (3x2) (6) [20]

QUESTION 4:

4.1 Define the following concepts
   4.1.1 Environmental degradation (1x2) (2)
   4.1.2 Social injustice (1x2) (2)
   4.1.3 Environmental injustice (1x2) (2)

4.2 Briefly explain how the needs of people have affected the location of industrial development in South Africa. (2x2) (4) [10]
SOLUTIONS TO X-ERCISE QUESTION

QUESTION 1

1.1  PWV industrial region / Gauteng √√  (1x2) (2)

1.2  (Any two)
Wide variety of minerals provided raw materials √√, wide variety of
agricultural products provided raw materials √√, Availability of flat land,
large labour pool to supply workers, large market to sell products,
well-developed infrastructure to transport goods, availability of water
needed in industrial processes, availability of energy resources to provide
much needed electricity, government support ensures industrial growth.
(2x2) (4)

1.3  (Any two)
Distance to markets increases the cost of the product √√, labour costs and
strikes slow down industrial development √√, water shortages mean water
must be imported at high cost, pollution puts more strain on the environment,
larger industrial output places greater strain on infrastructure, less land
available for expansion of industries, HIV/AIDS aggravates skill shortages,
value of the rand increases costs to import and transport goods, power
outages (load shedding) – Eskom’s inability to provide reliable power
(2x2) (4)

1.4  (Any two)
Finished goods are exported and earn foreign income √√, results in positive
balance of trade √√, provides employment to many people, development of
settlements, development of infrastructure, foreign investment, increases
GDP (2x2) (4)

1.5  (Any two)
Government can carry cost of the move √√, tax rebates √√, provide land
and buildings cheaply, provide transport of goods at reduced cost, provide
electricity and water cheaply, provide housing for labourers at a reduced rate,
free skills training/ development, encourage partnership between private
and public enterprises.  (2x2) (4)  [18]

QUESTION 2

2.1  The percentage by which rainfall varies from the average √√  (1x2) (2)

2.2  Low rainfall averages √√  (1x2) (2)

2.3  It decreases rainfall √√  (1x2) (2)

2.4  Kalahari HP √√. It strengthens the cell √√ thus brings even drier conditions √√
(3x2) (6)

2.5  Rainfall may be too hard causing erosion √√
May come too late or too early to be of any use √√  (2x2) (4)  [16]
QUESTION 3

3.1.1 Tertiary activities √√ They are influenced by the availability of skilled labour √√, capital (financing) √√ and infrastructure √√ (4x2) (8)

3.1.2 Primary activities √√ They are needed to provide resources for secondary activities √√ (otherwise they would have to be imported at great cost), and to produce food to feed people. √√ (3x2) (6)

3.1.3 (Any three)
- HIV/AIDS affects the working population the most, and so there are less people to work and more people who are dependent on those who work (children and the elderly) √√
- Lack of education and poverty results in less skilled labour √√
- Poverty means that people do not have the means to invest in economic activities (e.g. buy farm equipment and fertiliser or stock for a retail business) √√ (3x2) (6)

QUESTION 4

4.1.1 Environmental degradation is the destruction or harming of the environment by human activity √√ (1x2) (2)

4.1.2 Social injustice is the unfair treatment, discrimination and disregard for people with respect to economic development, as a result of their race, colour or ethnic group √√ (1x2) (2)

4.1.3 Environmental injustice is unfair treatment, discrimination and disregard for people with respect to environmental risks or hazards and with respect to the benefits of natural resources √√ (1x2) (2)

4.2 Government policy is to benefit the poor and disadvantaged and to develop poorer areas of the country √√. As a consequence, industrial areas are developed where there is the most poverty and need for upliftment. (2x2) (4)

[20]