



## **Education and Sport Development**

Department of Education and Sport Development  
Departement van Onderwys en Sportontwikkeling  
Lefapha la Thuto le Tihabololo ya Metshameko

**NORTH WEST PROVINCE**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**ECONOMICS P1  
SEPTEMBER 2019  
MARKING GUIDELINES**

**MARKS: 150**

**This marking guideline consists of 18 pages.**

**SECTION A (COMPULSORY)****QUESTION 1****1.1 MULTIPLE-CHOICE QUESTIONS**

- 1.1.1 D ✓✓ . open  
 1.1.2 C ✓✓ . Jugler  
 1.1.3 B ✓✓ . 1 April to 31 March  
 1.1.4 A ✓✓ . Balance of Payments  
 1.1.5 B ✓✓ . Sanctions  
 1.1.6 C ✓✓ . Accelerated Shared Growth Initiative of South Africa  
 1.1.7 D ✓✓ . infant mortality  
 1.1.8 A ✓✓ . Skills Development Programme (8 x 2) (16)

**1.2 MATCHING ITEMS**

- 1.2.1 G ✓ . where long term funds are borrowed and saved by consumers and business enterprises.  
 1.2.2 E ✓ . also known as the national product at constant prices.  
 1.2.3 B ✓ . do not change direction until after the business cycle has changed its direction.  
 1.2.4 A ✓ . when officials tend to obey rules and regulations without judgement.  
 1.2.5 C ✓ . allowed to respond to market forces within certain limits.  
 1.2.6 H ✓ . implemented by the SARB to try and stabilize prices.  
 1.2.7 F ✓ . an international bank that promote economic recovery development.  
 1.2.8 I ✓ . used to determine the prices of inputs. (8 x 1) (8)

**1.3 GIVE THE TERM/CONCEPT**

- 1.3.1 Real ✓  
 1.3.2 Business Cycle ✓  
 1.3.3 Deregulation ✓  
 1.3.4 International Trade ✓  
 1.3.5 Disinvestment ✓  
 1.3.6 Life expectancy ✓ (6 x 1) (6)

**TOTAL SECTION A: 30**

**SECTION B**

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

**QUESTION 2**

2.1

- 2.1.1 **Name TWO injections in the circular flow.**
- Investments ✓
  - Government spending ✓
  - Export income ✓
- (2 x 1) (2)

- 2.1.2 **Why should climatic conditions be considered as a reason for international trade?**
- Different climate conditions allow certain countries to grow crops that other countries cannot grow. ✓✓
  - It creates an opportunity for large scale production (exports). ✓✓  
(Accept any other correct, relevant answer.)
- (1 x 2) (2)

2.2 Data Response

- 2.2.1 **In which phase of a business cycle is a recession period experienced?**
- Down swing ✓ /  
Contraction ✓
- (1)

- 2.2.2. **Give any industry currently experiencing a low economic growth rate.**
- Trade ✓
  - Agriculture ✓
  - Transport ✓
  - Mining ✓
  - Manufacturing ✓
  - Construction ✓
- (Accept any other correct, relevant answer.)
- (1)

- 2.2.3 **Describe the term *Gross Domestic Product*.**
- Refers to the value of all final goods and services that are produced ✓ within the borders of a country over a certain period. ✓
- (2)

- 2.2.4 **Briefly explain the impact a recession might have on the economy.**
- Economic activity decreases ✓✓
  - Households receive less income and spending decrease. ✓✓
  - Business confidence decrease, i.e. business invest and produce less. ✓✓
  - The real GDP decreases and the country will be in a contracting phase. ✓✓
- (Accept any other correct, relevant answer.)
- (Any 1 x 2) (2)

- 2.2.5 **How can the fiscal policy be used to stimulate a weakened economy?**  
Fiscal policy can stimulate a weakened economy by:
- increasing government expenditure to stimulate further economic activity. ✓✓
  - creating income earned from job creation programmes that will enable consumers to demand more goods and services. ✓✓
  - decreasing the tax rate which will increase consumers' disposable income. ✓✓ (Any 2 x 2) (4)
- (Accept any other correct, relevant answer.)

2.3 Data Response

- 2.3.1 **Give an example of renewable energy.**
- Solar ✓
  - Wind ✓
  - Tidal ✓
  - Biomass ✓
  - Biofuel ✓
- (Accept any other correct, relevant answer.) (1)

- 2.3.2 **List any other State Owned Enterprise not mentioned in the extract above.**
- Central Post office ✓
  - ACSA / SAA ✓
  - Telkom ✓
  - Transnet ✓
  - Denel ✓
  - SAFCOL ✓
- (Accept any other correct, relevant answer.) (1)

- 2.3.3 **Describe the term *nationalisation*.**  
It is when the government takes ownership and control of an existing enterprise in the free market. ✓✓  
(Accept any other correct, relevant answer.) (2)

- 2.3.4 **Why would the privatisation of an SOE benefit the economy?**
- It generates additional funds through income generated from tax. ✓✓
  - It will broaden the tax base through total assets, investment and income streams that are subject to taxation. ✓✓
  - It will create greater efficiency in the economy, because the profit driven industries are more effective. ✓✓
  - Promote more foreign investment in the SA and the inflow of capital. ✓✓
  - Relieve pressure on the budget to alleviate shortages. ✓✓
- (Accept any other correct, relevant answer.) (2)

2.3.5 **How can Eskom function more effectively to benefit the consumer?**

Eskom can function more effectively by:

- allowing consumers to make payments directly to Eskom as the supplier - cut out the middle man. ✓✓
- producing at lower costs, e.g. cheaper suppliers. ✓✓
- applying effective management and control - no corruption and nepotism. ✓✓
- employing qualified and competent workers on all levels of the business. ✓✓

(Accept any other correct, relevant answer.)

(Any 2 x 2)

(4)

2.4 **Discuss *interest rates* and *import substitution* as measures used to correct the balance of payments disequilibria.**

Interest rates

- Interest rates can be increased to reduce spending on imports. ✓✓
- Foreigners on the other hand might take advantage by increasing their investment in the country with the higher interest rate. ✓✓ (Any 2 x 2)

Import substitution

- Import control can be stricter, through increasing custom duties. ✓✓
- Local producers can be motivated to produce more locally with the help of subsidies. ✓✓
- Goods which were imported can be produced locally. ✓✓ (Any 2 x 2) (8)

(Accept any other correct, relevant answer.)

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

**2.5 Evaluate the functioning of markets in the circular flow model.**

The functioning of markets in the circular flow model can have a positive impact by:

- availing the factors of production for economic activities, ✓✓ e.g. capital for investments through the factor market ✓
- allowing consumers to earn an income from the sale of the factors of production which will enable them to purchase goods and services in the product market. ✓✓
- enabling households, the business sector and other participants to access funds for trading and production, ✓✓ through financial markets e.g. banks. ✓
- enabling industries to obtain capital goods from other countries, that are not domestically available, ✓✓ through foreign exchange markets e.g. machinery ✓
- earning valuable income through exports through the foreign exchange markets. ✓✓

The functioning of markets in the circular flow model can have a negative impact by:

- failing to provide enough training, employment possibilities will be limited, if the factor market is ineffective ✓✓
- struggling firms who suffer to produce quality goods for the product market. ✓✓
- inefficiently satisfying the needs and wants of consumers ✓✓
- providing inadequate transport, technology and communication to reach existing markets ✓✓

(Accept any other correct, relevant answer.)

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

(8)

**[40]**

**QUESTION 3**

3.1

- 3.1.1 **Name TWO elements in the scorecard of Black Economic Empowerment.**
- Equity ownership ✓
  - Management and Control ✓
  - Employment equity ✓
  - Preferential procurement / Tendering ✓
  - Enterprise Development ✓
  - Social Responsibility ✓
- (Any 2 x 1) (2)
- 3.1.2 **Why are economic indicators used to assess the economy?**
- They are used to establish the state of the economy. ✓✓
  - When statistics change, they inform us of changes in the economy. ✓✓
  - Provide a meaningful feedback. ✓✓
  - They are compiled for specific purposes, e.g. CPI. ✓✓
- (Accept any other correct, relevant answer.) (Any 1 x 2) (2)

3.2 Data Response

- 3.2.1 **Give ONE factor that is used to measure human development.**
- Life expectancy ✓
  - Literacy ✓
  - Level of education ✓
  - Standard of living ✓
- (Accept any other correct, relevant answer.) (1)
- 3.2.2 **Why is economic freedom in South Africa so important?**  
Every citizen should be able to live the life that will lead to greater opportunities and a good standard of living ✓  
(Accept any other correct, relevant answer.) (1)
- 3.2.3 **Describe the term *demography*.**  
It is physical structure of the population, including race, gender, etc. ✓✓  
(Accept any other correct, relevant answer.) (2)
- 3.2.4 **How will an improved infrastructure contribute to an increase in the quality of life?**
- Improving the mobility of production factors and access to various resources or opportunities. ✓✓
  - Enabling people to reach their destinations easier (time management). ✓✓
  - Ensuring that there are more methods of communication, such as cellular phone, internet, advertisements, etc. ✓✓
  - Ensuring the availability of better healthcare facilities, such as modern equipment in hospitals. ✓✓
- (Any 1 x 2) (2)  
(Accept any other correct, relevant answer.)

3.2.5 **Comment about the success of the South African social policy in boosting economic development,**

The social policy is successful to boost economic development by:

- granting social grants that forms the most important source of income to a large number of South Africans ✓✓
- creating jobs through the Expanded Public Works Programme for poor people and equips them with skills training. ✓✓
- providing community based projects which are driven by the government to create income opportunities. ✓✓
- providing poor households with limited free water and electricity monthly. ✓✓
- providing school feeding schemes at public schools to help poor children with a daily ration ✓✓
- municipalities providing good service delivery and access to clean water, sanitation and waste disposal. ✓✓
- poor people receives free health care services such as consultation, hospitalization, medicine, etc. ✓✓
- children from poor households qualify to receive free education ✓✓

**AND/OR**

The social policy is not successful to boost economic development because:

- it is not successful to eradicate nepotism and corruption ✓✓
- houses are allocated to family members of senior officials. ✓✓
- healthcare facilities are not well managed. ✓✓ (Any 2 x 2) (4)  
(Accept any other correct, relevant answer.)

3.3 Data Response

3.3.1 **Give any factor that can improve the production capacity of a firm.**

- Better technology ✓
  - Trained and skilled workers ✓
  - Production subsidies ✓
- (Accept any other correct, relevant answer.) (1)

3.3.2 **Why should a country produce more goods and services?**

- To supply in all the needs and wants of the citizens. ✓
  - To ensure there is economic development. ✓
  - To improve the GDP. (1)
- (Accept any other correct, relevant answer.)

3.3.3 **Describe the term *capital deepening*.**

Occurs when the capital stock per worker is increased. ✓✓  
(Accept any other correct, relevant answer.) (2)



- 3.3.4 **What positive role can the government play in improving the quality of natural resources?**
- By implementing and enforcing strict laws and regulations on pollution ✓✓
  - Enforcing strict laws that protect and preserve them. ✓✓
  - Enforcing strict laws and regulations that prevent exhaustion and exploitation. ✓✓
- (Accept any other correct, relevant answer.) (2)

- 3.3.5 **How successful has the South African government been in improving the quality of labour?**

Positive:

- improving skills development through SETA ✓✓
- improving physical and social infrastructure for example more educational institutions were established in most areas after 1994 ✓✓
- making bursaries and study loans accessible every year. ✓✓

**AND/OR**

Negative:

- Not all children are attending schools . some are excluded due to their poor family background or lack of information ✓✓
- some people still can't afford further education like universities. ✓✓
- much needed upgrading of infrastructure like roads and bridges have not been done which could have created thousands of much needed jobs ✓✓ (Any 2 x 2)

(Accept any other correct, relevant answer.)

(4)

- 3.4 **Differentiate between *housing* and *urbanisation* as social indicators.**

Housing

- Many South African citizens are poor and cannot afford property. ✓✓
  - The government supplies housing subsidies and the private sector provides housing loans. ✓✓
- (Accept any other correct, relevant answer.) (Any 2 x 2)

Urbanisation

- The natural growth of the urban population is an indicator of a country's social development. ✓✓
  - Migration from rural to urban areas indicates development. ✓✓
  - Establishment of new towns indicates the level of social development. ✓✓
- (Accept any other correct, relevant answer.) (Any 2 x 2)

(A maximum of 4 marks may be allocated for mere listing of facts/examples) (8)

3.5 **How successful is the South Africa's New Growth Path to influence economic growth and economic development?**

The NGP has been successful in influencing growth and development, by:

- creating jobs through physical and social infrastructure expansion in areas such as energy, transport, communication, water and housing. ✓✓
- creating employment in the agricultural value chain by addressing the high costs of fertilisers and other inputs and by promoting, processing and export marketing. ✓✓
- creating jobs in the mining value chain by increasing mineral extraction, improving infrastructure and skills development and supporting the beneficiation on the final manufacturing of consumers and capital goods. ✓✓
- improving a green economy through expansion of infrastructure and technology in solar energy, wind energy and bio-fuels. ✓✓
- improving manufacturing sectors, skills development, research and investment. ✓✓
- expanding tourism and certain high level services. ✓✓

The NGP has not been successful in influencing growth and development because:

- high unemployment rates still exist in all sectors of the economy ✓✓
- growth levels are decreasing in all sectors of the economy. ✓✓
- major pollution and inefficient allocation of resources is evident ✓✓
- high shortage of energy (load shedding) and water supply is experienced ✓✓
- there is still no equal distribution of income and wealth. ✓✓

(Accept any other correct, relevant answer.)

(Any 4 x 2)

(8)

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

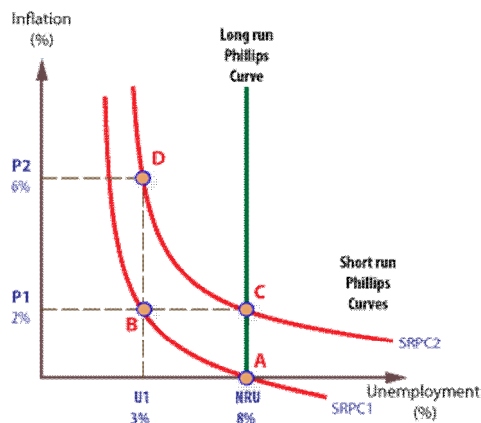
**[40]**

**QUESTION 4**

- 4.1 4.1.1 **Name any TWO member states which form part of BRICS.**
- Brazil ✓
  - Russia ✓
  - India ✓
  - China ✓
  - South Africa ✓
- (Any 2 x 1) (2)
- 4.1.2. **What effect will the depreciation of the Rand have on the demand for foreign goods?**  
The demand for imported goods will decrease, because it will be too expensive to import. ✓✓ (2)  
(Accept any other correct, relevant answer.)
- 4.2 Data Response
- 4.2.1 **What is the main source of government income?**  
Personal income tax ✓ (1)
- 4.2.2 **Why are certain food items exempted from VAT?**  
To ensure that poor people can buy basic goods. ✓ (1)
- 4.2.3 **Describe the term *capital gains tax*.**  
It is tax paid on the return when a fixed asset is sold. ✓✓ (2)  
(Accept any other correct, relevant answer.)
- 4.2.4 **Briefly explain why education receives the largest part of the budget.**  
Human resources are the most important assets to create jobs and to increase economic growth and development. ✓✓ (2)  
(Accept any other correct, relevant answer.)
- 4.2.5 **How will an increase in VAT affect the economically marginalised people?**  
The increase in the VAT rate might:
- increase prices of goods and services and economic marginalised people will be able to afford less. ✓✓
  - increase poverty and decrease the standard of living ✓✓
  - Economically marginalised people will only be able to buy the most basic products. ✓✓
- (Accept any other correct, relevant answer.) (Any 2 x 2) (4)
- 4.3 Data Response
- 4.3.1 **Name ONE country that forms part of the Northern hemisphere.**
- Norway ✓
  - Australia ✓
  - Canada ✓
  - Japan ✓
  - South Korea ✓
  - USA ✓
  - Germany ✓
- (1)  
(Accept any other correct, relevant answer.)

- 4.3.2 **Name ONE category which is used to compare developed and developing countries.**
- Standard of living ✓
  - Globalisation inequalities ✓
  - Environment ✓
  - Sustainable development ✓
- (1)
- 4.3.3 **Describe the term *globalization*.**
- It is the worldwide interfacing and interaction of economies, with trade as an important element and IT making it possible. ✓✓
- (2)
- 4.3.4 **What negative effect might HIV/AIDS have on countries in the South?**
- The life expectancy decreases, because the countries are too poor to supply sufficient healthcare. ✓✓  
(Accept any other correct, relevant answer.)
- (2)
- 4.3.5 **How can the developed and developing countries level the playing field?**
- The governments of developed countries can decrease subsidies ✓ on agricultural products to give the developing countries the opportunity to compete. ✓
  - Developing countries can remove tariffs on manufactured goods. ✓✓
- (2 x 2) (4)
- (Accept any other correct, relevant answer.)

4.4 **With the aid of a Phillips curve, briefly explain the relationship between unemployment and inflation.**



**Allocation of marks**

Labelling of axes = 1  
 Labelling on axis = 1  
 Correct shape of PC = 1  
 Correct shift to PC<sub>2</sub> = 1

**Max 4**

- The PC-curve shows the initial situation (A is the point of intersection of the PC-curve of the x-axis), it shows the natural state of unemployment for example, 8%. ✓✓
  - This is the rate of unemployment that causes no pressure on wages - if unemployment is on the left of A, inflation starts to increase. ✓✓
  - If the economy is stimulated so that the unemployment rate falls to B, e.g. 3%, wages increase to such an extent that inflation is at 2%. ✓✓
  - If unemployment falls to C, for example, 8%, inflation caused by wage increases is at 6%.
  - By contrast, if unemployment increases from D to C inflation falls from 6% to 2%. ✓✓
  - The curve thus suggests that there is an inverse relationship (a trade-off) between unemployment and inflation. ✓✓  
(Any 2 x 2)  
(Accept any other correct, relevant answer.)
- (8)

4.5 **How is the South African economy influenced by the effects of international trade?**

The SA economy will be positively influenced by:

- The living standard of South Africans will improve through specialization in the production of certain goods. ✓✓
- The increase in technology leads to mass production ✓✓, e.g. use of cellphones. ✓
- Increasing production efficiency, e.g. resources are used more effectively - less waste. ✓✓
- More choices of goods and services from all over the world - not only from South Africa. ✓✓
- Increased competition leads to innovation and high standards in economic capacity. ✓✓
- Globalisation brings the countries of the world together and share knowledge. ✓✓

The SA economy will be negatively influenced by:

- Less developed countries like S.A. might not be able to compete with developed countries. ✓✓
- Specialisation causes some producers to close down their businesses. ✓✓
- Globalisation let people tend to forget their cultures and indigenous knowledge systems disintegrate. ✓✓
- Mass production leads to domestic people buying inferior quality goods from other countries at the expense of local producers. ✓✓

(Accept any other correct, relevant answer.)

(Any 4 x 2)

(8)

**[40]**

**TOTAL SECTION B:**

**80**

**SECTION C**

Answer ONE question from this section in the ANSWER BOOK.

**QUESTION 5**

- **Discuss in detail export promotion.**
  - **Reasons (4)**
  - **Methods (6)**
  - **Advantages (8)**
  - **Disadvantages (8)** **(26)**
  
- **Evaluate the success of South African trade policy in protecting the local textile industry against foreign competition.** **(10)**

**Introduction**

Export Promotion involves providing incentives to encourage local businesses to produce goods for exports. ✓✓ (Max 2)  
(Accept any other correct relevant response)

**Body****MAIN PART**Reasons for export promotion

- The country achieves significant export-led economic growth. ✓✓
- It enlarges the production capacity of the country. ✓✓
- Export markets are much bigger than local markets. ✓✓
- Larger production units create more job opportunities and more workers will be employed. ✓✓
- It leads to lower retail prices due to mass production. ✓✓ (Max 4)

Methods of export promotion

- Incentives ✓
  - The government supplies information on export markets in order to stimulate exports. ✓✓
  - E.g. research on new markets, concessions on transport charges, in order to stimulate exports. ✓
- Subsidies ✓
  - Incentives which encourage exporters to increase the amount of their production. ✓✓
  - Direct subsidies: Cash payments to exporters. ✓✓
  - Indirect subsidies: Refunds on import tariffs and general tax rebates. ✓✓
- Trade neutrality ✓  
Subsidies equal in size to import duties, are paid. ✓✓ (Max 6)

Advantages of export promotion

- There are no limitations to size and scale of market. ✓✓
- Production is based on cost and efficiency. ✓✓
- There is increased domestic production. ✓✓
- Exchange rates would be realistic. ✓✓ (Max 8)

Disadvantages of export promotion ✓

- The real cost of production is hidden ✓
  - The real cost of production is reduced by subsidies and incentives. ✓✓
  - The product may thus never be able to compete in the open market. ✓✓
- Lack of competition
  - Incentives and subsidies reduce prices and force competitors who may be able to create sustainable and profitable businesses out of the market. ✓✓
  - That leads to a lack of competition. ✓✓
  - Total potential trade is therefore reduced with subsidies rather than without subsidies. ✓✓
- Increased tariffs and quotas ✓
  - Overseas countries may retaliate with tariffs and even quotas when similar goods are sold domestically below their real cost of production. ✓✓
  - Export promotion results in increased tariffs and quotas by powerful overseas competitors. ✓✓
  - Export promotion results in the protection of labour-intensive industries by developed countries. ✓✓
- Protection of labour-intensive industries ✓
 

Developing countries often maintain high levels of effective protection for their industries that produce labour-intensive goods in which developed countries already have or can achieve comparative advantage. ✓✓ (Max 8)

(Accept any other relevant higher order conclusion) (26)

**ADDITIONAL PART**

The government is successful in protecting the local textile industry by:

- implementing the *Proudly South African campaign* to support local production and creation of jobs. ✓✓
- reprioritising funds to the clothing and textiles production incentive from special economic zones. ✓✓
- providing direct and indirect subsidies to infant industries. ✓✓
- ensuring that infant industries are able to grow and can take advantage of economies of scale to become competitive. ✓✓

The government is unsuccessful in protecting the local textile industry because:

- local industries become too dependent on protection policies as a result many domestic textile manufacturers closed down. ✓✓
  - many local textile manufacturers closed down due to inequality between international competitors. ✓✓
  - many wholesalers make use of suppliers from abroad, e.g. Woolworths. ✓✓
  - dumping still occurs, because European manufacturers still dump clothing in South Africa at prices below cost. ✓✓
  - job losses increase due to a lack of protection in this industry. ✓✓ (Max. 10)
- (Accept any other relevant answer.)

**Conclusion**

The government should promote exports for the best possible investments and positive balance of payments. ✓✓

(Accept any other relevant higher order conclusion)

(Max. 2)

**[40]**

**QUESTION 6**

- **Discuss in detail regional development in South Africa in terms of the benchmark criteria. (26 marks)**
- **Evaluate the success of South Africa's regional development policies. (10 marks)**

**INTRODUCTION**

Regional development is the development of specific areas or geographical regions to increase economic growth and development in those areas. ✓✓

(Any other relevant definition/answer.)

(Max. 2)

**BODY****MAIN PART**Aims of regional development

- It attempts to limit the negative effects of economic centralization, for example the concentration of economic activities in only a few (mostly urban) areas. ✓✓
- It attempts to stimulate development in poorer areas by using skilled labour, other natural resources and infrastructure in neglected areas. ✓✓
- To implement and coordinate the implementation of national and regional industrial policies. ✓✓
- To prevent new imbalances, such as monopolies. ✓✓
- To support the economic and social conversion of areas experiencing structural difficulties. ✓✓

Benchmark criteria**Good governance** ✓

- Regional development strategies should be managed effectively and free of corruption. ✓✓
- Democratic decision making, transparency, financial management and control. ✓✓
- Projects should be correctly programmed, monitored and evaluated. ✓✓

**Integration** ✓

- An integrated approach, ensuring that the benefits of one region spill over to other industries and areas. ✓✓

**Partnerships** ✓

- It should be built between the central government, local authorities, civil society, special interest groups, NGOs and the private sector. ✓✓

**Provision of resources** ✓

- Sufficient resources should be provided in areas where resources are poor, e.g. infrastructure. ✓✓
- Examples of resources are skilled workers, social and physical infrastructure. ✓✓



**Investing in social capital** ✓

- Governments need to improve the quality of education and healthcare in the region. ✓✓

**Competitiveness** ✓

- Enterprises established as a result of regional policies, should be competitive and not need to depend on financial aid from the government. ✓✓

**Development of people, for people, by people** ✓

- Workers-to-the-work means a priority for employment creation. ✓✓
- The employment may not be at a commutable distance from where structurally unemployed people live - workers have to move to where the employment is. ✓✓
- Workers-to-workers are most likely to solve long-term problems of unemployment and regional differences in growth and development. ✓✓
- It stimulates economic activity and avoids workers to leave areas to which they are attached and with which they have traditional ties. ✓✓
- Policies work-to-workers also reduce over population in urban areas and thereby prevents unwanted side effect like pollution, drug abuse, HIV and AIDS and crime.

**Development from below** ✓

- Concentrate on issues at grass roots level where most urgent human needs exist. - it starts by dealing with poverty. ✓✓

**Total development as a multi-dimensional process** ✓

- Treat development from a global perspective covering all human life, including the interaction of welfare forces in a community, including education, health and nutrition. ✓✓

**(Max 26)**

(Accept any other correct relevant answer.)

**ADDITIONAL PART**

SA was successful in their Regional Development Policies by:

- intervention in industries was based on sound economic research and analysis which lead to growth. ✓✓
- provision of subsidies and incentives enabled substantial progress and growth in the upgrading of value-adding and labour intensive manufacturing sectors. ✓✓
- great success was achieved in combating customs fraud, and targeting illegal imports and products of inferior quality through import restrictions. ✓✓
- aligning trade policy with industrial policy took place. ✓✓
- it resulted in South African industries being more competitive in global market. ✓✓

SA was unsuccessful in their Regional Development Policies because:

- industries have closed down due to the withdrawal of financial support by the government. ✓✓
- there are no traces of good governance due to corruption and nepotism, ✓✓ e.g. State capture. ✓
- lack of accountability and transparency as a result programmes are not correctly monitored and evaluated. ✓✓
- policies are only implemented for a short term goal (no sustainability), e.g. programme like EPWP for human resources and protection policies for natural resources. ✓✓
- the lack of discipline in schools and poor management of healthcare centres has a negative impact on regional development. ✓✓

**(Max. 10)**

(Accept any other correct relevant answer)

**CONCLUSION**

Although the regional development policies of South Africa compare well with international best practices for regional development, certain shortcomings can be observed in its regional policies through the implementation of the NIPF and IPAP 1 and 2. ✓✓ (Max 2)

(Accept any other correct relevant answer)

**[40]**

<b>TOTAL SECTION C:</b>	<b>40</b>
<b>GRAND TOTAL</b>	<b>150</b>