



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



**GAUTENG**  
Community Education and Training  
**CET COLLEGE**

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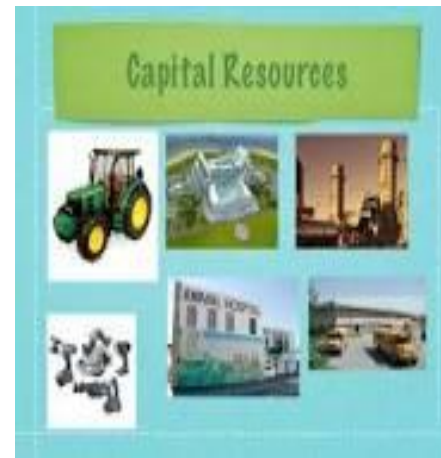
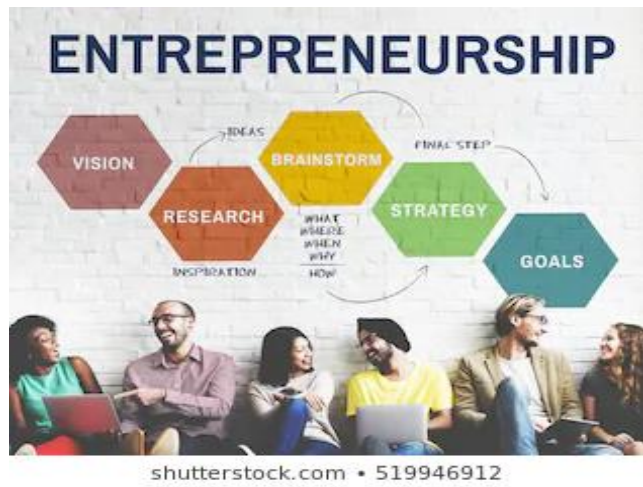
**Economics and Management Sciences: EMSC4**

**LESSON 12**

**US 13998**

## Lesson 12

1. Discuss an impact of labour on south african economy
2. Discuss the factors underlying the scarcity of land
3. The flow of capital is investigated
4. The impact of entrepreneurial skills on the South African economy discussed



## **Topic: Demonstrate an understanding of the impact of the factors of production in South African economy**

### **At the end of this lesson you must be able to:**

- Explain the impact of labour on the South African economy
- Discuss factors underlying the scarcity of land
- Explain the flow of capital in the South African economy
- Explain the impact of entrepreneurial skills on the South African economy

### **1. THE IMPACT OF LABOUR IN SOUTH AFRICAN ECONOMY**

- Ratio of unskilled labour to skilled labour -South Africa lacks experienced skilled workers. South Africa relies on foreign experienced skilled workers.

- Skilled labour-workers who are trained to do a certain job and they are good at it e.g machine operator, child minder,teacher, lawyer etc.

- Unskilled labour-are workers who are not trained and have no skills.

- Semi-skilled labour-are partially trained workers with partial skills.

- Rising unemployment- South Africa produces academically qualified people who are not employable because they are not skilled for the labour market.

- Cheap imports have led to the closing of South African factories.

- Global economic money shortages led to the decrease in demand which led to retrenchment (lay off) workers and closing factories.

- Migrant Labour: Movement of workers in search of work and they leave their families in the rural areas.

- Labour demands: Workers are protected by labour laws that give them a right to strike so that their demands can be met.-Strikes can lead to a loss of production and revenue (Income) for the government.

- Living wages-Farm workers and domestic workers were not paid enough.-Government made laws to protect these workers by including in the labour law minimum wages that must be paid to workers.

## **2. FACTORS UNDERLYING THE SCARCITY OF LAND IS EXPLORED**

Imbalances in the land ownership-Previous government only allowed white people to own land.

Scarcity -Land is a constant (remain the same) population is increasing and available land becomes scarce through new developments, mining, grave yards etc.

Geographical factors-Western side of the country is semi desert less production is possible and Eastern side receives more rainfall but still droughts occur.

## **3. The flow of capital in the South African economy is investigated**

Investment flow-in South Africa there is less investment by local people because most people do not save money hence we are mostly relying on foreign investment and selling of shares and government bonds.

Exchange rates-means the expression of one currency to another currency e.g. \$ 1 =R15.If an American invest \$1000 in South African currency he/she has invested R15000.If we buy a Rolex watch worth \$3000 we will pay R45000 for it.

Role of reserve bank-The reserve bank influences the economy by lowering or increasing the rate at which banks and people invest or borrow money.

If the rate is high – debt repayment is more and more difficult to manage, people may lose their homes, cars, furniture if the repayment is too high. This influences the economy because people buy less because it is too expensive.

When the rate is low debt is cheaper and more people can afford to borrow money and buy on credit. This stimulates the economy as there is more demand thus more products manufactured.

#### 4. THE IMPACT OF ENTREPRENEURIAL SKILLS ON THE SOUTH AFRICAN ECONOMY IS DEBATED.

Positive impact	Negative impact
<ul style="list-style-type: none"><li>• Creation of wealth</li><li>• Increase in economic growth</li><li>• Increase in income distribution</li><li>• Introduction of innovative technologies</li><li>• new ventures and products and services emerges</li></ul>	<ul style="list-style-type: none"><li>• unemployment</li><li>• lack of skills</li></ul>

#### Activity 12

1. Give four positive impact of entrepreneurial skills have on the South African economy. (4)
2. Briefly explain the role played by the South African Reserve Bank . (2)
3. Name who the Governor of South African Reserve Bank is. (1)
4. Define migrant labour. (2)
5. Define labour. (2)

Total (11)