

1. What were some of the earliest commodities?
2. What was the first generally accepted means of payments?
3. Give your own opinion on “indirect bartering”.
4. Why did people decide to use precious metals as a means of payments?
5. How did banknotes (paper money) originate?

ANNEXURE D

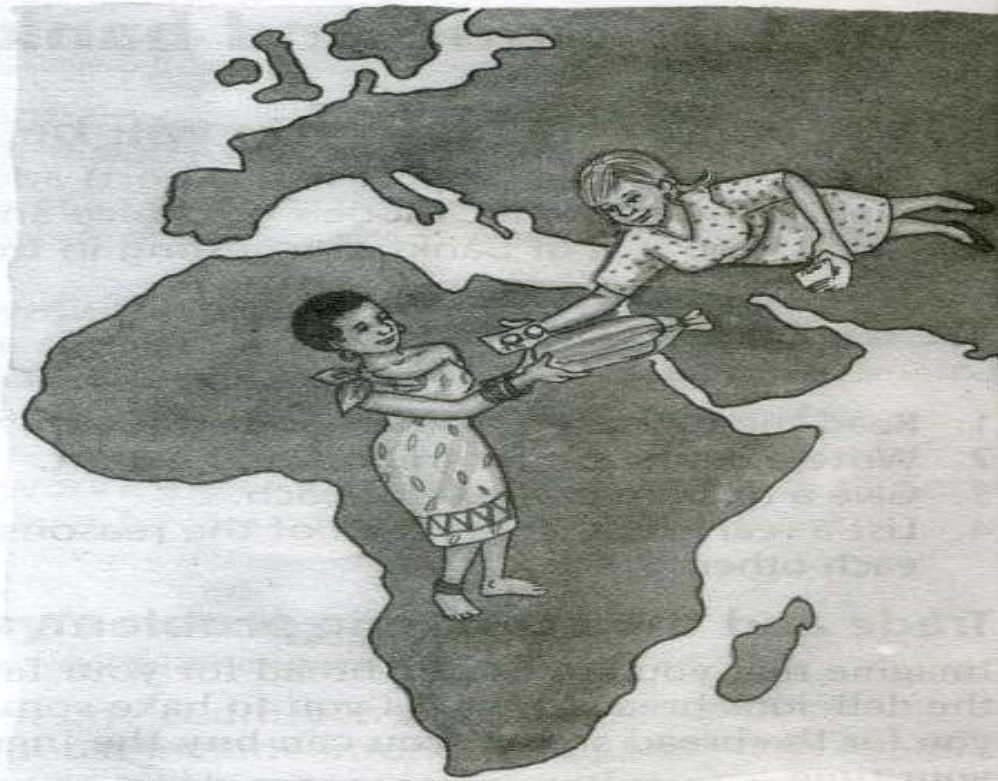
TRADE AND THE ECONOMIC PROBLEM

Imagine that you are baking bread for your family. Your neighbour smells the delicious bread and asks you to bake some for her. She offers to pay you for the bread so that you can buy the ingredients and get paid for your time.

Now imagine that you and your neighbour are two countries. One country makes something, such as the bread, while the other country does not have the materials or labour necessary to make this product. In that case, the second country would buy the product, the bread, from the first country. The country that sells the bread is called the exporter and the product it sells is called the export. The money Received will benefit the exporter's country.

The country that buys the bread is called the importer and the product it buys is called the import

The exchange of imports and exports is called trade. Trade can be in goods and services. The goods that are imported and exported can be natural resources such as food, minerals or wood, or products that are made by people such as cars, furniture and machines. Trade allows different countries to specialise in the production of goods and services at which they are most suited.



Countries trade with one another for a number of reasons:

- To get natural resources that they do not have
- To get goods that they cannot produce themselves
- To increase choice for their consumers
- To get goods at a cheaper price than they can produce themselves
- To increase their profits by having more places in which to sell their goods

ANNEXURE E

Banks and the economy

The first banks were temples and churches. Temples and churches were considered the safest places to store money because people thought that no one would steal money from a place of worship. Temples exchanged money from other cities and some temples even made loans. As travel and trade between cities began to grow, some traders began to pay people to exchange money from other cities, and they took a fee from the money they exchanged. These people were called moneychangers and they were the very first bankers.

In modern times banks deal with money and credit. Banks keep money safe and provide credit to lenders. They use the money they hold to invest in the economy. There are several types of banks such as commercial and central banks.

Commercial banks borrow from the public and make loans to individuals, businesses and governments. Commercial banks accept deposits of people's money for safekeeping. The commercial bank takes this money and invests it. The depositor then earns a certain amount of money called interest for depositing the money and letting the bank use the money for investments. Commercial banks also make loans to people. The borrower is charged interest on the loan.

Commercial banks pay interest to people who put money in and charge interest to people who borrow money from them. One of the ways that commercial banks make their money is by charging higher interest to borrowers than it pays to savers. Banks make lending and borrowing money in the economy easier. The bank makes sure that the loans are paid back and that everyone pays the right amount of interest. In South Africa the main four commercial banks are ABSA, First National Bank, Nedbank and Standard Bank.

Central banks issue money and are the bankers for commercial banks. They determine the quantity of money in circulation. The first central bank was the Bank of England established in 1694.

The South African Reserve Bank is the central bank for South Africa. It was established in 1921. Its primary goal in the South African economic system is 'the achievement and maintenance of financial stability'. The Reserve Bank is responsible for:

- Making and putting in place monetary policy for South Africa.
- Making sure that the South African money, banking and financial system is healthy.
- Helping the government to make policy decisions about the economy.
- Telling the South African community and all interested stakeholders abroad (such as investors) about the monetary policy and the South African economic situation.
- Protecting the value of the currency in the interest of balanced economic growth.
- Supervising the commercial banks to make sure there is an effective banking system.
- Looking after the cash reserves that commercial banks are legally required to hold.



Today, tomorrow, together.



How can we help you?

Private individuals invest in shares in the Reserve Bank but most of the Bank's earnings are paid to the Government. The Bank's operations are therefore not driven by a profit motive, but by serving the best interest of all the people in South Africa.

1. In your own words, describe how the first bankers came did about.
2. What are banks nowadays responsible for?
3. What are the servicers that commercial banks render?
4. List the responsibilities of the Reserve Bank in your own words.

deflation
a decrease in prices

DID YOU KNOW?
Hyperinflation is an inflation rate of more than 1000%. In 2003, Zimbabwe's inflation rate was more than 3000%.

When the general price level decreases and prices fall, we say that **deflation** has occurred. A drop in the price of a single item, for example computers, is not called deflation. Deflation is only said to occur if there is a drop in the price of many goods and services leading to a fall in the average level of prices in the economy.



The price of Ricoffy in 1983.



The price of Ricoffy in 2004.

The reasons for inflation

Economists have identified many possible causes of inflation. Two of the most important causes of price increases are:

1. *Increases in the cost of production.* If the cost of the factors of production increases, then it becomes more expensive for producers to produce goods and services. This increase in the cost of production causes producers to increase the prices they charge for their goods and services. If many producers put their prices up, the average price level increases which leads to inflation. This type of inflation is often called **cost-push inflation** because increases in costs push prices up. When workers demand large wage increases, this can lead to cost-push inflation.
2. *Increases in the level of consumer spending.* If there is an increase in consumer spending, there will be an increase in the demand for goods and services. An increase in the demand for goods and services will lead to an increase in the general price level and hence to inflation. This type of inflation is often called **demand-pull inflation** because increased demand for goods and services pull the prices up.

cost-push inflation
inflation that is caused by increases in the cost of production

demand-pull inflation
inflation that results from an increase in demand for goods and services; the result of an increase in consumer spending



The inflationary cycle.

Grade 8 Economic and Management Sciences

Investigation

Total: 25 Marks

Learning Outcome 1 The Economic Cycle

Assessment Standard 5: Explain what inflation is and discuss reasons for changes in inflation rates

Instructions

The information given below represents the prices of certain products for the years 2006 and 2007. You are to conduct an investigation to find out the prices of these goods in 2008. After you have completed the price table for 2008, you are to answer the questions that follow.

Resources: Textbook, supermarket pamphlets, newspaper, television

Integration:

PRODUCT	PRICE 2006	PRICE 2007	PERCENTAGE DIFF.	Product	Price in 2008
CHEESE - pkg	R45.25	R47.99	6.7%	Cheese	
ORANGE JUICE - p/litre	R8.20	R8.45	3.0%	Orange Juice 1L	
BROWN BREAD	R3.77	R4.39	16.2%	Brown Bread	
WHITE BREAD	R3.35	R4.39	32.3%	White Bread	
FRESH MILK - p/litre	R4.33	R4.59	6.7%	Fresh Milk 1L	
SUGAR - 2.5kg	R13.75	R14.39	8.0%	Sugar 2,5 Kg	
TOMATOES Per kg	R5.40	R5.99	6.8%	Tomatoes Per Kg	

[7X2=14]

What do you notice about the changes in the prices of the goods from 200b through to 200 ?

[1]

--

Explain what inflation is by giving a definition of inflation

[2]

Name TWO types of inflation

[2]

Name and discuss TWO reasons for the changes in inflation rates [3x2=6]

GRADE 8 LESSON PLAN 2 TERM 1

LEARNING AREA: ECONOMIC AND MANAGEMENT SCIENCES		GRADE 8
CONTEXT: MONEY, BANNKING AND ECONOMIC GROWTH		DURATION: 4 weeks (8 Hours)
DATE COMPLETED:		
<u>SKILLS</u>	<u>KNOWLEDGE</u>	<u>VALUES</u>
<p>Explain</p> <p>Discuss</p> <p>Differentiate</p> <p>Decision making</p> <p>Compare</p> <p>Define</p>	<ul style="list-style-type: none"> • Economic systems • Planned • Market • Mixed • Trade unions • Role of trade unions • Rights and responsibilities of trade unions <p>Different trade unions e.g. COSATU,SADTU,FAWU</p>	<ul style="list-style-type: none"> •
LO 1 :ECONOMIC CYCLE		
AS 3 :Explains how different economic systems address the economic problem (e.g. Planned, market and mixed economies		
AS 4 : Discusses the role, rights and responsibilities of trade unions.		

ACTIVITY 1

(a) The teacher divide learners into groups and discuss the meaning of the following concepts :

- Economic systems
- Planned
- Mixed economies

The teacher will consolidate by giving more precise definition :

Economic system is the system used by a country's government to solve the economic problem of what to produce, how to produce and for whom to produce. **Planned economic system** is where the government provides all the goods and services needed by people. All businesses are owned by the government(also called controlled economy)

Market economy the people are free to start and run their own businesses to satisfy the needs.

Mixed economy is a mixture of market economy and the planned economy. The state owns part of the businesses and the individuals own others.

(b) The teacher gives the learners an extract **Annexure1** to read and then complete the table below. The teacher uses the Jigsaw activity where the class is divided into three Home Groups. Each group member is given an economic system to deal with. Groups then breakaway into their groups dealing with the specific economic system they have been assigned and they complete the table just for the economic system assigned to them using their textbooks .Once they have completed the table they return to their home groups and assist each other to complete the entire table.

	market	Planned	mixed
Who decides what to produce			
Who owns production factors			
Can people choose what work they want to do			

What does this system value			
How are resources allocated			
What are advantages of this system			
What are the characteristics of this system			
Which country is an example			

ACTIVITY 2

(a) The teacher asks the learners to discuss the meaning of the concept : **trade union**

The teacher will consolidate learner's responses and give a simple definition of a trade union.

Trade union is an association of workers in a particular industry, occupation, or trade that regulates relations between them and their employers.

(b)The teacher will give the learners **Annexure 2** to study and answer the questions in pairs,

1. Which document defines the Bill of Rights in South Africa?
2. List two basic rights defined in the Bill of Rights
3. On what wording is the Labour Relations Act based?
4. What is the aim of Labour Relations Act
5. How are the rights of trade unions described in the Labour Relations Act?

(c)The teacher refers the learners to **Annexure 3** and asks them to work in pairs to role-play the script .Let the learners decide which role each will play and dramatise the script. The learners also have to add at least three lines for each character.

ASSESSMENT: Form : Class work Tool : Rubric Method : Peer/Group

D	Trade unions work for all employees
E	Management is allowed to choose union representatives to take part in decision making
F	Pension schemes are negotiated for employees
G	Trade unions can only get what they want by toy-toying
H	Trade unions have to report to members annually to inform them of their activities
I	Trade unions do not oppose unfair dismissal
J	Membership fees must be paid by the employer
K	Negotiations are aimed at obtaining better working conditions, including lunch breaks, safety regulations, and reasonable working hours.
L	Unfortunately trade unions are not yet organized by the law and do not enjoy legal protection
M	Trade unions do not support education and training.
N	Trade unions cannot assist members who are injured on duty
O	Maternity leave is negotiated
P	They negotiate for leave benefits, including vacation leave, study leave, sick leave and leave to take care of personal matters
Q	Trade unions have to be registered with the Registrar of Trade Union

The teacher will further ask the learners to rewrite they have not identified so that they reflect responsibilities of trade unions.

(d) The teacher will give the learners an extract to read and identify the different trade unions found in South Africa :

Some of the trade unions in South Africa include the South African Municipal Workers Union (SAMWU), Food and Allied Workers Union (FAWU), Printing ,Paper, Wood and Allied Workers Union (PPWAWU), Transport and General Workers Union (TGWU),National Union of Mineworkers of South Africa (NUMSA) ,National Union OF mineworkers, South African Democratic Teachers Union(SADTU).

The Congress of South African Trade Unions (COSATU), as the biggest representative trade union federation in South Africa with over 1.2million members , played a major role in fighting apartheid in South Africa

(e) The teacher gives the learners a case study to read **Annexure 5** and answer the questions that follow :

1. How and when was COSATU formed?
2. What are COSATUs objectives?
3. What are COSATUs principles?
4. What is COSATUs political policy
5. What is COSATUs socio-economic policy?
6. What are some COSATUs campaigns?
7. What is the importance of May Day for trade unions?
8. How would you describe COSATUs role in South Africa?

ACTIVITY 3 CONTROLLED TEST

Resources : Case study text, dictionary, textbooks

Expanded opportunities:

Teacher reflection :

Barriers to Learning :

Market economies

A market or capitalist economy is a type of economic system where there is private ownership of the factors of production. Supply and demand regulate the economy with little government control. Businesses decide the type and quantity of goods to be made in response to demand from consumers. Consumers decide the type and quantity of goods to be bought. People are free to produce, buy and sell whatever they want as long as they have the money.

An increase in the price of one product encourages businesses to allocate resources to the production of that product. A decrease in the price of one product encourages consumers to switch to buying that product. A market economy produces whatever brings the highest price and produces it with the method that costs the least. People in a market economy want to make as much profit as possible.

In a market economy there tends to be a large gap between those with high incomes and those with low or no incomes. People with higher incomes are able to buy more goods and services than the poor. There is also a large range of goods to choose from in a market economy.



A market economy values individualism. It is up to each person in a market economy to make more money than other people. People choose what occupation they wish to follow and who they work for. People in a market economy will often choose an occupation based on where they can sell their labour for the best salary.

Some of the advantages of a market economy are that there is competition. Competition means that there is an increase in quality and money is spent on research and development. Some of the disadvantages are that only those with resources can participate. The United States of America is an example of a market economy.

Market economy

LO1: The economic cycle; AS3: Different economic systems

1. Read the information about market economies on page 18.
2. Copy the following table into your exercise book.
3. Complete the column in the table about market economies.

	Market economies	Planned economies	Mixed economies
Who decides what to produce?			
Who owns the factors of production?			
Can people choose what work they want to do?			
What does this system value?			
How are resources allocated?			
What are some advantages of this economic system?			
What are some disadvantages of this economic system?			
Which country is an example?			

Planned economies

A planned, command or socialist economy is a type of economic system where there is government ownership of the factors of production. The government owns most resources and decides on the type and quantity of goods to be made. The government sets output targets for each district and factory and allocates the necessary resources.

A planned economy is run by a very strict and strong central leadership group. The government is responsible for the production of goods and services. It is highly organised and the people in the economy are assigned specific tasks by the leadership. It is up to the central leaders to determine what is needed and how the resources will be used.

- a right to enter into agency and closed shop agreements,
- a right to establish workplace forums,
- a right to conclude collective agreements,
- a right to enter an employer's premises (employer's permission is required to enter a private home) to recruit or meet members,
- a right to hold meetings with employees outside their working hours at the employer's premises, and
- a right to conduct elections or ballots among its members on union matters.



The rights and responsibilities of trade unions

LO1: The economic cycle, AS4: Trade unions

1. Read the information about the rights and responsibilities of trade unions.
2. What rights do registered trade unions have in South Africa?
3. You know from your study of human rights in Life Orientation that with rights come responsibilities. What are the responsibilities of registered trade unions in South Africa?



Trade union case study

LO1: The economic cycle, AS4: Trade unions

Work in groups to read the following case study and discuss the questions.

1. How and when was COSATU formed?
 2. What are COSATU's objectives?
 3. What are COSATU's principles?
 4. What is COSATU's political policy?
 5. What is COSATU's socio-economic policy?
 6. What are some of COSATU's campaigns?
 7. What is the importance of May Day for trade unions?
 8. How would you describe COSATU's role in South Africa?
 9. What do you think COSATU's rights and responsibilities are?
- Report back to the rest of the class.

Case study COSATU

The Congress of South African Trade Unions (COSATU) was launched in December 1985 after four years of unity talks between unions opposed to apartheid and committed to a non-racial, non-sexist and democratic South Africa. At the launch COSATU represented less than half a million workers organised in 33 unions. COSATU currently has more than two million workers, of whom at least 1,8 million are paid up.

The main broad strategic objectives of COSATU are:

- to improve the conditions of its members and of working people as a whole.

In a planned economy prices are fixed. There is no profit motive so the price equals the cost of production. People are not free to choose their occupations. People are trained according to the needs identified by the government. The government distributes consumer goods through state shops where there is no choice of goods. People often have to stand in long queues to get their basic necessities.



6. Trade Unions

Workers' rights

In a mixed economic system, the government is also responsible for protecting the rights of the workers in the country. It is generally agreed that workers have the following rights:

- *The right to work.* Every person in a country should have the opportunity to earn a living by working. No one should be excluded from the economy. In order to make sure that this right is protected, the government of the country should ensure that there is work for everyone who is available to work and is seeking work.
- *The right to choose your work.* Everyone has the right to choose their trade, occupation or profession freely. No one should be prevented from entering a profession or trade because of their gender, race or religion.
- *The right to safe, hygienic and comfortable working conditions.* All people have the right to be protected from danger while they are at work. Employers have a responsibility to make sure that the work environment is healthy and free of danger.
- *The right to work that is freely chosen or accepted.* Every person has the right to decide for themselves what work they would like to do and who they would like to work for.
- *The right to be paid fairly.* Everyone has the right to earn a wage or salary that is equal to that earned by other people who do the same or similar work.
- *The right to work for a limited amount of time each day and to receive paid holidays.* People should not work too many hours each day. Laws are set to limit the amount of time that each individual should work in a given week. Everyone has the right to paid sick leave and holidays.
- *The right to be treated equally and fairly by the employer.* All people have the right to be treated the same as others and to be treated with respect by their bosses.

- to organise the unorganised, and
- to ensure worker participation in the struggle for peace and democracy.

COSATU is based on the following core principles:







- Non-racialism – COSATU believes that all workers, regardless of race, should organise and unite.
- Worker control – COSATU believes that workers must control the structures and committees of the federation. The COSATU leadership is drawn from the shopfloor.
- Paid-up membership – COSATU strives for self sufficiency through membership fees.
- International worker solidarity – COSATU maintains links with a range of national and international unions.






COSATU has a political policy: it believes in a democratic society free of racism, sexism and the exploitation of the working class. COSATU believes in a society where workers have full control over their lives. COSATU works with other democratic forces to do away with all forms of oppression and exploitation.

The socio-economic policy of COSATU is based on the need to eliminate

Activity 2.3



<p>Sirini, what do you plan to do after work today?</p> <p>Our trade union is having a meeting. I'm going along. Aren't you coming too?</p> 	<p>No, I don't belong to a union. What good can a trade union do?</p> <p>Unions negotiate with the factory management on behalf of the workers about any problems we may have.</p> 
<p>But I can do that for myself!</p> <p>Maybe, but unions have greater bargaining power because, according to the law, they are allowed to call a strike if management refuses to address our grievances.</p> 	<p>I don't approve of strike action.</p> <p>Well, the unions can also take other steps.</p> 
<p>What else can they negotiate for? It seems to me that all they can do is to encourage people to strike and boy-boycott.</p> <p>You're wrong! They can negotiate for many different things.</p> 	<p>Such as?</p> <p>They bargain for better salary increases, pay for overtime, contributions by management to our pension scheme.</p> 

<p>So all they do is fight for more money!</p>  <p>Not at all! This canteen was built through the union's efforts to improve our working conditions. They also make sure that safety measures are put in place in the factory, that we have job security and improved training, medical aid and lots of other things.</p>	<p>What about vacation leaves, sick leave, lunchtimes ...</p>  <p>That too. They are prepared to negotiate about anything that will improve our lives.</p>
<p>You keep talking about 'they'. Who are these people?</p>  <p>They are the people elected by the paid-up members to act as our representatives. Don't you think it's time you joined?</p>	 

The responsibilities of trade unions

In pairs, you now have to role-play the above script for the class. Decide which role each of you will play. Simply reading the text is not enough – you need to dramatise it! Remember that you are relaxing in a canteen. But before you start preparing for your role play, you have to complete the script by adding at least two more lines for each character.



Peer assessment

Copy this assessment tool into your workbook and complete it by responding honestly.

OVERVIEW GRADE 9

TERM 1	TERM 2	TERM 3	TERM 4
LEARNING OUTCOMES AND ASSESSMENT STANDARDS	LEARNING OUTCOMES AND ASSESSMENT STANDARDS	LEARNING OUTCOMES AND ASSESSMENT STANDARDS	LEARNING OUTCOMES AND ASSESSMENT STANDARDS
LO 1 : ECONOMIC CYCLE	LO 4: ENTREPRENEURIAL KNOWLEDGE AND SKILLS	LO 3: MANAGEMENT, CONSUMER AND FINANCIAL KNOWLEDGE AND SKILLS	LO 2: SUSTAINABLE GROWTH AND DEVELOPMENT
CLUSTER 1	CLUSTER 1	CLUSTER 1	CLUSTER 1
<p>AS 1: Explains the different flows of money, factors of production, goods and services in the economic cycle with the South African economy</p> <p>AS 2: Discusses the role of the foreign sector in the economic cycle</p> <p>AS 3: Illustrates by means of a graph and discusses how demand and supply influence prices</p>	<p>AS 1: Generates, through SWOT analysis, possible business ideas to meet the need for manufactured goods or service</p> <p>AS 2: Develops a business plan (including a budget) for a manufacturing, service or tourism enterprise based on the best business opportunity from the ideas generated.</p>	<p>AS 1: Completes a basic income statement and balance sheet for a service and retail business</p> <p>AS 5: Analyses financial statements for decision –making at a basic level.</p> <p>AS 4: Uses keyboard skill and function keys in developing, storing, retrieving and editing business documentation</p>	<p>AS 3: Explains the role of savings and investments in economic prosperity and growth</p> <p>AS 4: Discusses productivity and its effects on economic prosperity, growth and global competition</p>
CONTENT	CONTENT	CONTENT	CONTENT
<p>AS 1: Concepts:</p> <ul style="list-style-type: none"> • Goods and services • Factors of Production (natural resources, land, labour, capital and entrepreneur) • Circular flow 	<p>AS 1: Concepts:</p> <ul style="list-style-type: none"> • SWOT analysis (Strengths, Weaknesses, Opportunities and Threat) 	<p>AS 1: Concepts:</p> <ul style="list-style-type: none"> • Sales and cost of sales • Income and expenses • Gross income and current income • Operating income and expenses 	<p>AS 3: Concepts”</p> <ul style="list-style-type: none"> • Savings • Investments <p>Role of savings in:</p> <ul style="list-style-type: none"> • Economic growth • Economic prosperity

<p>AS 2: Concepts:</p> <ul style="list-style-type: none"> • Role of foreign sector • Reasons for foreign exchange • Advantages and disadvantages of foreign sector <p>AS 3: Concepts:</p> <ul style="list-style-type: none"> • Demand and demand schedule • Law of demand • Supply and supply schedule • Law of supply • Market prices • Equilibrium price • How demand and supply influence prices • Changes in demand and supply 	<p>AS 2: Concepts:</p> <ul style="list-style-type: none"> • Product or service • Feasibility study • Marketing plan • Financial plan • Goals of the business • Management plan • SWOT analysis 	<ul style="list-style-type: none"> • Gross profit and net profit • Assets : fixed and current • Cash and cash equivalents • Capital and drawings • Owners equity <p>AS 5: Concepts:</p> <ul style="list-style-type: none"> • Gross profit % • Net Profit % • Current and acid test ratios • Returns on owners equity • <p>AS 4: Concepts:</p> <ul style="list-style-type: none"> • Home and keyboard keys • Mouse and monitor • Switching computer on and off • Opening a document in Ms word 	<p>Role of investment in:</p> <ul style="list-style-type: none"> • Economic growth • Economic prosperity <p>AS 4: Concepts:</p> <ul style="list-style-type: none"> • Production • Globalisation • Economic prosperity • Economic growth • Global competition
CLUSTER 2	CLUSTER 2	CLUSTER 2	CLUSTER 2
<p>AS 1: Discusses how the national budget, regional and international agreements can be used to facilitate sustainable growth and development</p> <p>AS 2: Investigates and debates the successes and shortcomings of the RDP</p>	<p>AS 3: Engages in the business activity planned and discusses the reasons for choosing a particular form of ownership</p> <p>AS 4: Conducts a marketing campaign to promote a product and discusses the self selected advertising media</p>	<p>AS 3: Completes cash and credit transactions in the books of service and retail business:</p> <ul style="list-style-type: none"> • Uses a cash receipts and payment journal, and a debtors' and creditor's journal • Posts journals to the general ledger and draws up a trial balance 	<p>AS 7: Researches the laws affecting basic conditions of employment and non-discrimination in the workplace</p>

CONTENT	CONTENT	CONTENT	CONTENT
<p>AS 1: Concepts:</p> <ul style="list-style-type: none"> • National budget • Regional agreements (e.g. SADC, OAU, NEPAD etc) • International agreements (e.g. G8, Common Wealth etc) <p>AS 2: Concepts:</p> <ul style="list-style-type: none"> • RDP (reasons and goals) • Successes and shortcoming of RDP 	<p>AS 3: Concepts:</p> <ul style="list-style-type: none"> • Forms of ownership: • Partnership / sole trader • Close cooperation • Private and public company • Characteristics of different forms of ownership • Advantages and disadvantage <p>AS 4: Concepts: Marketing campaign to promote a product:</p> <ul style="list-style-type: none"> • Develop a questionnaire • Conduct interviews/survey • Different advertising media 	<p>AS 3:</p> <ul style="list-style-type: none"> • Transaction (cash and credit) • Cash receipts journal • Ledger (double entry principle) • Posting to the ledger • Cash payments journal • Posting to the ledger • Trial balance • Income and expenditure • Balance and nominal accounts sections • Assets and liabilities and Owners equity • Accounting equation • Debtors and Creditors • Debtors and Creditors Journal • Posting to debtors and creditors ledger • Uses a cash receipts and payment journal, and a debtors' and creditor's journal <p>Posts journals to the general ledger and draws up a trial balance</p>	<p>AS 7: Concepts:</p> <ul style="list-style-type: none"> • Labour Relations Act • Employment Equity Act • Basic of Conditions Act

CLUSTER 3	CLUSTER 3	CLUSTER 3	CLUSTER 3
LO 1 : ECONOMIC CYCLE		LO 3: MANAGEMENT, CONSUMER AND FINANCIAL KNOWLEDGE AND SKILLS	
<p>AS 4: Critically assesses the influence and actions (strikes and stay aways) of trade unions in general and during the apartheid era on:</p> <ul style="list-style-type: none"> • The South African economy; • Political, economic and social transformation • Labour issues <p>AS 5: Discusses the effect of the national budget on the economy (e.g. taxation and expenditure on education, social welfare, health and security).</p>		<p>AS 6: Differentiates between the forms of credit purchases (e.g. open accounts, instalment sales, credit card), and explain and assess:</p> <ul style="list-style-type: none"> • the use of different means of payment in the economy (e.g. cash cheques, postal orders, credit cards, debit cards, smart cards, travellers cheques); • the advantages of cash purchases <p>AS 2: Investigates the public relations, social responsibility and environmental responsibility strategies and actions of different businesses and organizations</p>	
CONTENT	CONTENT	CONTENT	CONTENT
<p>AS 4:</p> <p>Concepts:</p> <ul style="list-style-type: none"> • Role of trade unions • Right and responsibilities of trade unions • Influence of trade unions on labour issues, South African economy • Influence of trade unions on political, economic and social transformation • Different trade unions e.g Sadtu, Cosatu, Fawu etc 		<p>AS 6:</p> <p>Concepts:</p> <ul style="list-style-type: none"> • open accounts • Instalment sale • credit card • cash, cheques • postal orders • debit cards • smart cards • travellers cheque • use of different means of payment 	

<p>AS 5: Concepts:</p> <ul style="list-style-type: none"> • National budget • Taxation • Expenditure on education, social welfare, health and security 		<ul style="list-style-type: none"> • use of different means of payment • advantages of cash purchases <p>AS 2: Content:</p> <ul style="list-style-type: none"> • Public relations, social responsibility, and environmental responsibility strategies. • Actions of different businesses and organizations 	
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GRADE 9 LESSON PLAN 1 TERM 1

Learning Area: Economic & Management Sciences		Grade 9
CONTEXT: The Economic Problem		Duration: 5 weeks (10 Hrs)
Date Completed:		
Skills <ul style="list-style-type: none"> • Comparing • Collecting • Reporting • Identifying • Tabulating data • Drawing graphs • Analyzing graphs 	Knowledge Concepts: <ul style="list-style-type: none"> • Flow of money • Factors of production • Goods and services • Economic cycle Concepts: <ul style="list-style-type: none"> • Economic sector • Demand and demand schedule • Supply and supply schedule • Equilibrium • Factors that affect demand or supply 	Values <ul style="list-style-type: none"> • Responsible use of resources • Appreciation • Accountability • Honest and reliability
<p>LO 1: THE ECONOMIC CYCLE</p> <p>AS 1: Explains the different flows of money, factors of production, goods and services in the economic cycle within the South African economy.</p> <p>AS 2: Discusses the role of the foreign sector in the economic cycle.</p> <p>AS 3: Illustrates by means of a graph and discusses how demand and supply influence prices</p>		

ACTIVITY 1 (A)

As prior knowledge (Grade 6 LO1 AS1 and AS 3) the teacher introduces the lesson by asking the learners to brainstorm the following:

a) What is the Economic cycle (**Possible answer:** The economic cycle or circular flow is the description of how goods and services and money flow in **opposite** in the economy between consumer (households) , producer(businesses), public sector (government)

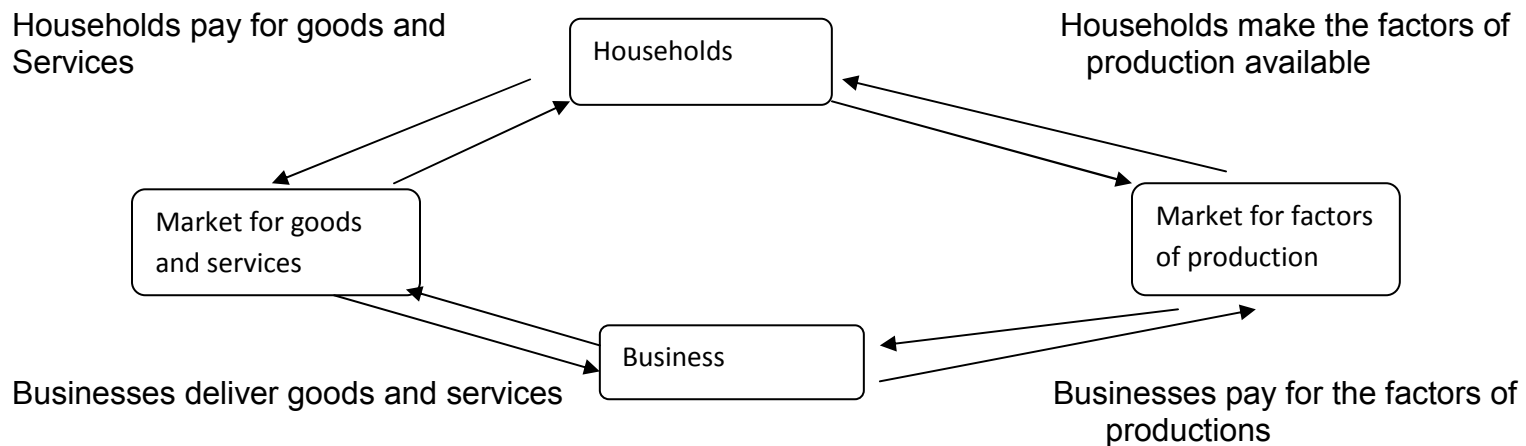
b) Describe the four factors of production(**Possible answer;** Natural resources, Capital, Labour and Entrepreneur)

The teacher explains that there are four participants in the economic cycle i.e. Households, private enterprise (the business sector) the public sector (government) and the foreign sector. All these sectors are connected to one another by transactions. A market is formed when buyers and sellers come together to exchange goods and services. The two major type of markets in the economy are the market for goods and services (the goods market) and the market for the various factors of production (the factor market).He further explains that economic processes resulting from these markets can be called flows of economic activity. Two flows can be identified in each transaction:

A flow of goods or services from the seller to the buyer

A flow of money from the buyer to the seller

He further explains the circular flow using the model below:



The teacher explains the flow of money in the above cycle as follows:

The reserve bank lends money to Commercial banks. The commercial banks (Absa, Standard Bank, Ned bank, First National Bank, etc) lend money to entrepreneurs (business owners) to start a business. The businesses (factories) are mostly manufacturing type. They use money to buy the stock or raw materials they require and to pay wages and salaries to their workers and laborers. (**Income** flows from firms to households in return for households providing their productive services through the factor markets. Retail businesses sell goods and services to their consumers.

The workers and laborers are paid wages and salaries which they use to buy goods and services that they need to survive.

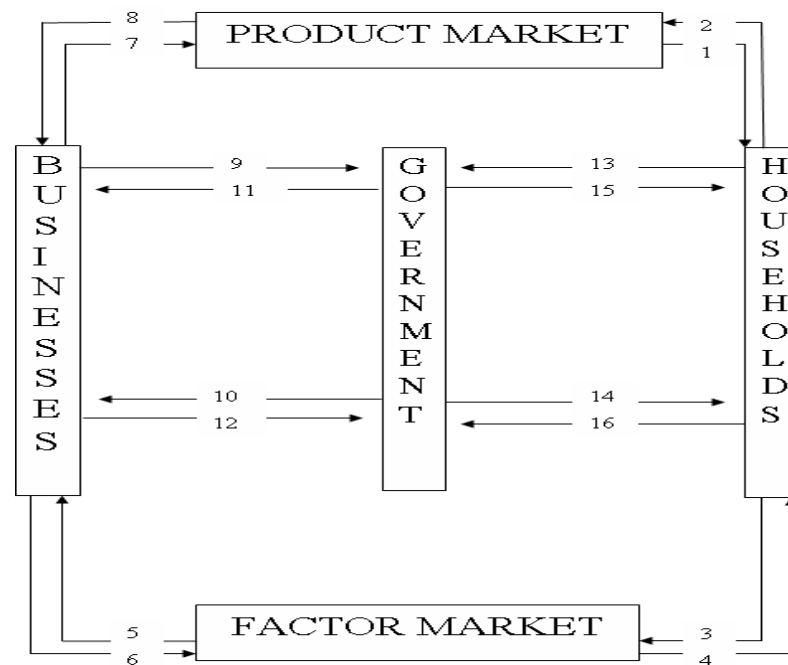
Households then spend some of the **income** on goods and services in the goods market (product markets) They then become consumers, the money these businesses make is banked at commercial banks.

S/he further explains that the modern economy involves more than just households and the business sector. It also involves the government, whose task is to produce certain goods and to provide services e.g. police, education health to the public. To provide these services the government makes use of the factors of production particularly labour (people working for the government).The government also has to buy a variety of goods from business sector. To purchase these, the government needs **funds**. Government acquires **funds** from households and the business sector through taxes and also gets revenue from property services it provides. A proportion circular flow in the form of financial institutions, and taxes government.

The teacher explains the three then gives the learners the

Use the model provided below to model of a closed economy using

N.B. The arrows and numbering for the teacher's information Please remove them when administering the activity



and from some of the of the income will leave the savings, which go to which go to the

sector circular flow and following class work :

complete the circular flow the information that follows:

are

1. Households receive and consume goods and services produced by businesses.
2. Households pay for goods and services they purchase.
3. Households offer labor and other factors to the business in the factor market.
4. Households earn income as payment for labour and other factors used by business.
5. Businesses hire labour and other factors to produce goods and services.
6. Businesses pay the owners of the factors used in production.
7. Businesses produce goods and services to sell in the product market
8. Businesses receive revenues from the sales of their goods and services.
9. Businesses produce goods and services for purchase by government.
10. Government pays businesses for goods and services purchased.
11. Government provides goods and services for business use.
12. Businesses pay tax to the government.
13. Households provide labour services to government.
14. Government pays its employees and military or makes transfer payments to low income families.
15. Government provides goods and services that benefit households.
16. Households make tax payments to the government.

ACTIVITY 1 (b)

The teacher asks the learners to use their dictionaries to find the meaning of the following concepts/terms and write the answers in their class work books:

Imports (**Possible answer:** Imports are goods and services bought from other countries,

Export (**Possible answer:** Exports are goods and services that are sold to other countries

Foreign trade(**Possible answer:** foreign trade is the trade that takes place between different countries

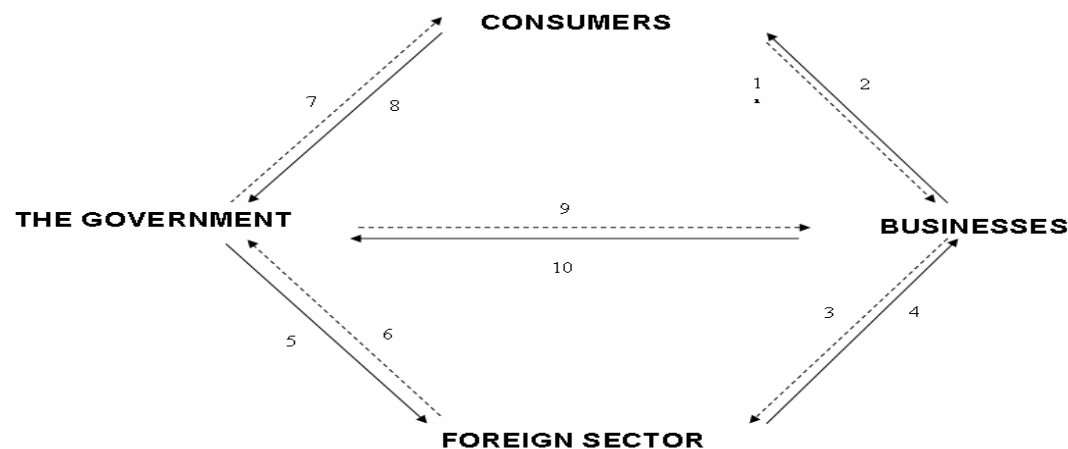
Real flow (**Possible answer:** real flow is the flow of goods and services including the factors of production

Monetary flow(**Possible answer :**monetary flow is the flow of income and spending

Thereafter, s/he introduces another link in the circular flow model i.e. Foreign sector (is made up of all countries that South Africans trade with, i.e. obtains goods from and provides surplus goods to). It is the fourth group of participants in the economic life of a country. In a closed economy there are only three sectors i.e. households, businesses and government. In an open economy, like South Africa, a fourth sector, the foreign sector, is added to the economic circular flow model. . Sometimes a country cannot consume everything it produces or manufactures, so the surplus is **exported**.

On the other hand, a country cannot produce everything its consumers want. It therefore has to **import** these kinds of goods from countries which have surplus stock. South Africa imports large aircraft and many other goods. Because the two flows are in opposite directions, it is important to distinguish clearly between them. The flow of goods and services (including the factors of production) is a real flow, while the flow of income and spending is a monetary flow.

The teacher explains the role of the households, businesses, the government and the foreign sector in the economic cycle as follows:



1. **Consumers** provide businesses with labour (factor of production) as well as buy goods from businesses.
2. The **businesses** remunerate (pay) the consumers for their labour and provide goods and services.
3. South African businesses provide foreign countries with South African made goods (exports) and pay rands for imported foreign goods.
4. **Foreign countries** provide South African with foreign made goods (imports) pay foreign currency for goods bought from South Africa (exports).
5. **Foreign countries** also provide our country with goods such as oil and petrol (imports).
6. **The government** provides consumers with certain services, for example, the police force, hospitals, water and electricity supplies, etc.
7. **Consumers** pay taxes to the government.
8. **The government** provides businesses with various services.

9. **Businesses** pay part of their profits to the government in the form of taxes.

The teacher consolidates the activity by telling the learners that, to complete the circular flow model, we must examine the transactions between groups in the same sector. In the case of households, one household may supply domestic services to another household in exchange for payment e.g. wages of domestic workers. In the business sector, many of the goods and services produced are not sold to other sectors. Goods and services are used by businesses in the production process (as intermediate goods and services) and as capital goods to expand the production capacity of businesses.

The teacher gives the learners the following task:

Look for newspaper articles that contain information about economic and political events in other countries that impact on S.A. Bring them for discussion to the class.

Also, discuss how the flow of money works referring to the open sector circular flow.

Possible answers:

- With exports and imports, we must look at the money flow. If the money flows into the our country, it is because we have sold goods or services (exports – sell goods and receive foreign money)
- When we import, foreign goods come into the country and money goes out
- Business people will find products that consumers need and obtain them from another country(import)
- A business person could also have a surplus (more than enough) of something and try to sell it overseas. Once s/he sells the goods to a foreign country they are known as exports
- Governments also assist in obtaining goods (e.g. petrol) from foreign countries, which are known as imports
- Governments will also assist in selling goods the country produced to other countries that need them.

ACTIVITY 2 (a)

As prior knowledge(Revision Grade 7 LO1 AS 3) the teacher asks learners to brainstorm the following concepts:

- Demand
- Supply.
- Demand curve
- Supply curve
- Equilibrium (is the point where price of goods demanded and good supplied is the same.
- Law of demand and law of supply
- Quantity demanded and quantity supplied

The learners brainstorm the above concepts and report to the class. The teacher immediately gives feedback to cover the gaps if any.

The teacher gives the learners the following scenario:

Sipho makes and sells beaded wireworks. He sells the various toys, bowls and baby mobiles to the tourists who visit East London. He knows that one of the things that determines the demand for his product is the price. So, Sipho did a survey over one month to find out how many wireworks people would buy and at what prices. Use the information in Sipho's demand schedule to draw a demand curve for Sipho's wireworks.

Price per wirework	Quantity demanded by consumer
R10	100
R20	75
R30	50
R40	20
R50	0

- 1...What factors other than price, do you think will influence the demand for Sipho's wireworks. Discuss these factors in group of five. Think of things that would possibly increase or decrease the demand.
2. Using the demand schedule explain the law of demand

Learners swap their books and mark their work. The teacher provides feedback on the activity. Learners do corrections.

ACTIVITY 2 (b)

The teacher explains to the learners that a change in quantity demanded occurs as the result of a change in the price of good and service. A change in demand occurs as the result of a change in one of the factors that determine demand e.g. the demand for ice cream on a cold day will be low even if the price and service is good.

The teacher further explains that effective advertising is a factor that can result in an increase in the quantity demanded. This will lead to Sipho selling more wireworks at each price level. This can be shown in a graph when demand curve shift to the right. Climate change on the other hand can result in a decrease in the quantity demanded. It causes a shift of the demand curve to the left. The teacher should use a graph to further explain this.

The teacher instructs the learners to do the following class work:

Work in groups and discuss each of these factors. Will they lead to an increase or decrease in demand for Sipho's product. Give reasons for your answer.

1. Beaded accessories have become fashionable(**Answer:** A change in customer taste means that customers are willing to purchase more wireworks)
2. The cost of wire goes up (**Answer:** The price of complimentary good goes up, resulting in an increase in price and a decrease in demand)
3. Plastic toys and baby mobiles have become more expensive(**Answer:** The price of a substitute good increases, resulting in an increase in demand for wireworks)
4. The rand become stronger and tourists have less disposable income (**Answer:** A change in the level of consumers' income, which results in a decrease in demand)
5. More tourists are coming to East London(**Answer:** means a change in size of the population, resulting in an increase in demand)

The teacher consolidates the lesson by further explaining that the demand is influenced by the price of the product. However, other factors also play a role e.g.

- The price of complementary goods
- Different tastes and preferences
- Change in size of population

- Change in the level of consumer income
- Price of substitute goods or services
- Effective advertisement

And s/he also gives feedback on the learners' class work.

ACTIVITY 2 (b)

The teacher gives the learners the following scenario to do in class.

Sipho knows that the quantity of wireworks he will supply depends on the price that he can get for them. In order to work out the price he needs to calculate how much it costs to produce them. Sipho drew up this supply schedule which shows how many wireworks he as a supplier would be prepared to make and sell at different prices.

Price per wirework	Quantity supplied by producer
R10	0
R20	20
R30	30
R40	50
R50	75

1. Help Sipho to draw up a supply curve using the above supply schedule.
2. What factors, other than price, do you think will influence the quantity of wireworks Sipho supplies?
3. Using the supply schedule explain the Law of supply

The teacher explains that a decrease in the cost of producing the good is a factor that results in an increase in the quantity supplied. More wireworks will be sold at each price level. This can be shown on the graph when the supply curve shifts down and to the right. A decrease in the number of producers in the market can result in a decrease in the quantity supplied. The teacher demonstrate this on the chalkboard.

The teacher further explains that there are other factors that determine the supply of a good or service other than the price

:

- The price of other goods (complimentary and substitute)

- Climate
- Number of producers in the market
- Production technique
- Current level of technology

The teacher instructs the learners to work in groups and discuss whether each of the following factors will lead to an increase or decrease in demand for Siphó's product. Give reasons for your answer

1. Siphó buys a new pair of pliers that improves his production technique and he is able to work much faster.
(**Answer:** A change in the production technique that enables producers to produce a greater quantity of the good, with no change in the cost of production, will result in an increase in supply)
2. The curio shop tells Siphó that his wireworks are not selling because the customers say they are too expensive.(**Answer:** The price that consumers are prepared to pay for the good or service will determine supply. The quantity supplied will decrease)
3. The bead shop is selling a new hand-held machine that revolutionizes bead and wire work.(**Answer:** An improvement in technology will result in an increase in supply if cost of production stays the same)
4. The prices of all glass and plastic beads have gone up.(**Answer:** An increase in the cost of complimentary goods results in a decrease in supply)

The teacher consolidates the lesson by giving feedback to learners.

ACTIVITY 2 (b)

The teacher gives the learners the following **case study**:

Work in groups of three and discuss each question before writing down the answer or drawing the graph. Here are the demand and supply schedules for cold drinks on the imaginary island of Durban.

Price (rand per can)	Quantity demanded (cans per week)	Quantity supplied (cans per week)
4	1 000	500
6	900	650
8	800	800
10	700	1 000

1. Use the demand and supply schedules to draw a graph that shows the market equilibrium price for cold drinks on the island of Durban
2. Suppose the government on the island imposed a tax on cold drinks that increases the price by R2 per can. What will the new price of cold drinks be?
3. What effect will this tax have on the quantity demanded and quantity supplied of cold drinks?
4. Will this tax result in a surplus or a shortage of cold drinks? Use a diagram to explain your answer.

The teacher consolidates the lesson by doing the case study with the learners.

Resources : Variety of Textbooks, Newspaper, Magazine, Chalkboard, OHP and Dictionaries

Teachers Reflection : Were the outcomes met?

Did the learners perform well in assessment?

Did the activities strengthen the learners understand

How can I improve group activity

Expanded Opportunity:

Barriers to Learning :

GRADE 9 LESSON PLAN 2 TERM 1

Learning Area: Economic & Management Sciences		Grade 7
CONTEXT: The Economic Problem		Duration: 3 weeks (6 Hrs)
Date Completed:		
Skills <ul style="list-style-type: none"> • Analyzing • Collecting • Reporting • Identifying • Debating 	Knowledge Concepts: <ul style="list-style-type: none"> • National budget • Regional agreements South African Development Community (SADC); South African Customs Union(SACU) • International agreements (e.g. European Union (EU), The African Union(AU); World Trade Organisation(WTO) • Reconstruction and Development Plan (RDP) • Growth Employment and Redistribution programme (GEAR) 	Values <ul style="list-style-type: none"> • Responsible use of resources • Appreciation • Accountability • Honest and reliability
<p>LO 2: SUSTAINABLE GROWTH AND DEVELOPMENT</p> <p>AS 1: Discusses how the national budget, regional and international agreements can be used to facilitate sustainable growth and development.</p> <p>AS 2: Investigates and debates the successes and shortcoming of the RDP</p>		

ACTIVITY 1

As revision of work done in grade 8 the teachers asks the learners to answer the following questions::

- a) Suppose your group is in charge of drawing up a budget for the government spending on education, social welfare, health and security. The budget amount is R100 000. Decide how much money to allocate to each department and write a short explanation of the hoped for results of your expenditure. Work out what percentage of the total budget each department is getting. Draw a pie chart in your work books (draw the four departments and the percentage of expenditure).(Develop the card that you are going to use to vote for or against the proposed budget allocation)
- b) Develop a poster answering the following questions:
 - How does spending on social welfare affect the economy? Think of at least three effects of social welfare spending.
 - How does spending on health affect the economy? Think of at least three effects of social welfare spending.
 - How does spending on education affect the economy? Think of at least three effects of social welfare spending.
 - How does spending on security affect the economy? Think of at least three effects of social welfare spending.
- c) Present your work to the whole class.

Assessment : Baseline

The teacher gives feedback on work presented by learners and also fills in content gaps where necessary. S/he further explains that the National Budget is the government's financial plan for the period of three years. The budget sets out how much the government will spend, how much it will collect in taxes and how much it needs to borrow to fund expenses. This three-year period, which is made up of the current year plus the forecast for the next two years, is called the medium term expenditure framework (MTEF).

Apartheid had a crippling effect on the personal lives of many South Africans and on our economy. It's no wonder that reconstruction, development and growth are a top priority for the South African government. Owing to the imbalances of apartheid, many South Africans are still homeless, poor and unable to improve the quality of their lives. Each year, the government spends billions of rands of its national budget on poverty reduction. This is aimed at providing basic services such as water, electricity, and sanitation and refuse removal.

The income the government collects via personal and company tax determines whether it will be sufficient to meet the planned national expenditure. The expenses of the country generally include education, health, social welfare and security.

The teacher further explains that **Education** is one of the government's top priorities, as there are still many uneducated and poorly educated people living in the country. Each year, it allocates a large portion of its budget to improving the standard of education throughout the country. Some of the results the government hopes to achieve with its spending include:

- Better quality of education for children in schools
- Higher national literacy levels
- Increased productivity
- Better qualified workers

Social Welfare is another government's priority. Some of the government's intended outcomes on social welfare expenditure include:

- Helping many orphaned children with child support grants
- Providing people over retirement age with pensions
- Preventing people from becoming destitute
- Providing disabled people with disability grants.

Although the government intends to help relieve poverty, by providing grants and benefits, those who are receiving them become dependent on them. They may also be too afraid to find work or start their own businesses in case they lose their grants. Also, if the population has a large number of senior citizens, the pension grants become a drain on the economy.

Security: Perhaps one of the biggest problems facing South Africa is security. Crime is of serious concern and the country's jails are overcrowded. Some of the outcomes wanted from government spending on security include:

- A safer environment for all people to live in
- That people will have faith in the security provided for by the government
- That crime levels will drop

Crime and personal safety are some of the main issues cited by people who leave the country to live elsewhere. The government maintains that the processing time for criminal cases has dropped. It also claims that the murder rate has dropped and that police now respond to calls in less time.

Health: Providing adequate healthcare for the citizens of South Africa poses some serious challenges for the government. Some of the hoped for results of government expenditure include:

- Building a healthy work force to enable economic growth

- Keeping basic illnesses under control and from spreading
- Trying to curb the crippling effects of HIV/AIDS

South Africa has 377 public hospitals, 3 387 clinics and 285 private health care facilities

The teacher gives the learners a case study Annexure A to read and then respond to the questions in the annexure.

Assessment: Form: Case study Tool: Memo Method: Teacher

Like most countries, South Africa has a formal /first economy (made up of people employed in the private sector and the different levels of government) and an informal/second economy (.most workers in the informal economy are people who cannot find employment in the formal economy. Many are involved in some kind of entrepreneurial activity to earn a living e.g. street trading, hawking, spaza shops, home businesses, backyard workshops and mini bus taxi services)

In South Africa, the system of apartheid forced a large section of the population into the informal sector

Two of the main economic challenges facing the present government are:

- To ensure that there is sustainable growth in the formal economy so that new jobs are created. In this way, unemployment will be reduced and standards of living will increase.
- To support and develop the informal sector and encourage its enterprises to become part of the formal economy. This will increase employment levels, help to develop poor communities and increase the **tax base** (total number of people and enterprises in the country that pay taxes on their earnings or profits – the bigger the tax base, the greater the revenues collected by the government)

The National Budget is the government's main tool for encouraging sustained growth of the economy. Areas of need are identified and more money is allocated to these in order to further the aims of broad-based development. The government is continuously striving to achieve sustained economic growth through its annual budgets and MTEF. In South Africa a large portion of the Budget is allocated to social spending, which is made up of education, healthcare and social welfare, where the country's people and resources are being mobilized in order to ensure a better life for all.

ACTIVITY 2

The teacher asks the learners to use their dictionaries and look up the following concepts:

- Globalisation
- Regional agreements
- International agreements

The teacher explains that most people agree that globalization (term that describes the changes in societies because of increased cultural change and international trade) is here to stay and will become a major force in the economy of all countries. Governments and businesses in many countries realize that they are powerless to fight globalization, so they find ways of benefiting from it. Poor and developing countries, in particular, have to form strong regional and international agreements to ensure that their economies are not disadvantaged.

South Africa has entered into various regional agreements as part of the African continent or the southern part of it. Because of its unjust policies of apartheid, South Africa was banned from joining these organisations. However, when South Africa became a democratic government in 1994, it was invited to be part of these agreements, which include : the African Union (AU); the New Partnership for Africa's Development (NEPAD); the Southern African Customs Union (SACU); the Southern African Development Community (SADC). In some of the international agreements, South Africa is a signatory including the World Trade Organisation (WTO); European Union (EU); the United Nations Conference on Trade and Development (UNCTAD) the United States African Growth and Opportunity Act AGOA); etc

Regional and international agreements are used to further the following aims:

- Peaceful relationships with neighbouring states: Countries which have hostile neighbours or are at war with each other will divert scarce resources to military forces, instead of using them for much needed development
- Encourage foreign direct investment: Countries which view foreign investment with suspicion and place obstacles in its way, have slower growth rates
- More open economies: Countries that have open economies encourage international trade. Studies show that open economies grow almost 1.2 % faster than closed economies.

The teacher gives the learners the following investigation:

Conduct an investigation on one of the regional and one of the international agreements between South Africa and the rest of the world, for example Southern African Development Community (SADC); African Union (AU); AGOA or European Union. The length of your investigation must be a maximum of two typed pages (font size 12) or three written pages, excluding the title page. The following minimum requirements must be met:

- The task must have a title page and bibliography (list of resources)
- The text must be divided into paragraphs
- References of sources must be included
- The final product must be bound or stapled in an acceptable way.

The following criteria will be used to assess your research.

- Planning: Did you plan your investigation and how did you do it?
- Quality of investigation: Was your investigation of a high quality; well done?
- Creativity: Did you use your creativity/imagination in the presentation of the investigative task?
- Content: Did you Cover all the relevant aspects of the research in your research assignment
- Technical quality: How did you structure and present your task?

Assessment: Form: Research Assignment Tool: Rubric Method: Teacher

The teacher consolidates by explaining that growth and development is encouraged through regional and international trade agreements with other countries. When countries agree to allow the exchange of goods and services with each other, they agree to remove restrictions on trade. This stimulates the production of goods and services within South Africa.

Another example of an international free trade agreement is the Africa growth and opportunity Act (AGOA)

Most of the countries have been declared eligible for AGOA, including South Africa. Since its implementation, AGOA has :

- Encouraged substantial new investments, trade, and job creation in Africa
- Helped to promote Sub-Saharan Africa's involvement in the worldwide trading system and a more active role in global trade negotiations
- Contributed to economic and commercial reforms which make African countries more attractive commercial partners for US companies

NEPAD's main objective is to eradicate poverty and to stimulate sustainable growth development while at the same time participating in the world economy. To eliminate poverty it is important to have economic growth. Faster economic growth supports faster development. Growth is made possible by entrepreneurs. So policies which leave entrepreneurs free from restrictions tend to raise growth.

There are several advantages to international trade :

- Countries can buy goods and services they do not produce themselves
- Countries can specialise in certain products and so produce goods more cost – effectively.
- International trade makes mass production possible because the demand for the goods is so much larger. Mass production enables manufacturers to produce goods more cheaply.
- International competition encourages efficiency and productivity
- Consumers benefit from international trade because they have a wider variety of goods and services available to them

The teacher asks the learners to plan for the following presentation:

Imagine that your group (Ministers) has been invited by the AU to discuss problems facing the African continent. Choose one topic from the following issues. Make sure that each of the seven topics is covered by at least one group in the class. Research the issue and write a speech about it.

TOPICS: Civil wars in Africa ; The HIV/Aids pandemic, poverty, famine, the use of child labour and child trafficking, illiteracy and lack of education, problems caused by globalization

Your speech should include the following : the nature of the problem; how it affects sustainable growth and development; solutions to the problem; how regional and international agreements can help deal with the problem

Present your speech and poster to the class. Plan how you will divide the speech into sections so that each member of your group delivers part of the speech. Present the visual materials which you have developed with the speech, allow a few minutes for questions and class discussions. Your teacher may ask you to assess and evaluate each other's speeches and posters.

Assessment: Form: Presentation Tool: Rubric Method: Teacher/Peer

ACTIVITY 3 (a)

As prior knowledge the teacher introduces the lesson by asking the learners to brainstorm the following:

- What is RDP
- Identify RDP projects in your community.

After the brainstorming exercise the teacher explains that South Africa became a democratic and non-racial state in 1994. All citizens now have equal access to human rights, privileges and benefits of the state..

Under the apartheid system, the following policies were followed;

- Each race group had to develop separately and was kept apart
- Most of the economic power and privilege were kept in white hands
- The non-white majority had very little access to social and economic opportunities. This caused extremes of inequality and mass poverty.

After 1994, the democratic government's urgent task was to reconstruct the economy and society. It introduced the Reconstruction and Development Programme (RDP) as its guiding economic policy. This was to be a government – led intervention in the economy.

The main aim of the RDP was to employ all people and resources of South Africa to build a stronger, democratic, non-sexist and non-racial economy. The ministries involved in giving all South Africans access to basic services were Social Welfare, Water Affairs, Health, Education, Housing and Land Affairs. The RDP initiated five (05) major programmes :

- Meeting basic needs such as food, water, housing, land, electricity and health care.
- Developing human resources.
- Strengthen the economy.
- Creating democracy in South Africa
- Implementing the RDP

However, implementing the RDP was clearly unaffordable and not sustainable in the long run. It required injecting vast sums of money into social upliftment .This would have resulted in the government getting deeper into debt.

The teacher asks the learner to do the following **research** in preparation for the **debate** in class.:

1. Work in groups and do research by visiting the library, internet newspaper, magazines or interview older people for information to strengthen your viewpoint.
2. You will use the information to prepare for a class debate on RDP.
3. The teacher will divide the groups into two parties – those arguing the successes of the RDP and those arguing the shortcomings/failures of the RDP.
4. In your groups, select three speakers to present your case to the class. (The strongest communicator in your group should be appointed as the principal speaker. Select your two next best speakers to support arguments presented by the main speaker.
5. Remember that the remaining group members need to participate in the debate in a constructive manner to support your group, and challenge other groups' findings.
6. Before you start with the debate, formulate your arguments as a group and study the debating task sheet given to you to assist with this task.

Before you plan your debate, consider the following guidelines:

Assessment: Form: Debate Tool: Rubric Method: Teacher

Speaker	Guidelines for speaker supporting successes of RDP	Guidelines for speaker arguing the shortcomings of the RDP
Principal speaker (4 minutes)	Define the topic, establish issues for the debate outline the successes, announce the case division, (i.e. who are going to be the second, third and reply speakers and what their roles in the debate are) between the speakers, and present your argument.	Respond to the team supporting the RDP's argument, outline the shortcomings of the RDP, announce your case division(i.e. who are going to be the second, third and reply speakers and what are their roles in the debate), present your argument
Second speaker (3 minutes)	Respond to the team arguing the shortcomings of the RDP, continue supporting the first speaker's argument outlining the successes of the RDP	Respond to the team arguing the successes of the RDP, continue supporting the first speaker's argument outlining the successes of the RDP
Third speaker (3 minutes)	Once more respond to the opposing team's cases	Once more respond to the opposing team's cases
Reply speakers (3 minutes)	Summarise the debate from the team's viewpoint, including a response to the other team's overall response and a summary of your own team's case. You may not introduce a new argument at this stage of the debate	Summarise debate from the team's viewpoint, including a response to the other team's overall response and a summary of your own team's case. This team must reply last. You may not introduce a new argument at this stage of the debate

The teacher consolidates the lesson by giving feedback to the learners about the debate.

ACTIVITY 3 (b)

The teacher gives the learners a case study(Annexure B) to read and respond to questions.

Assessment: Form: Case Study Tool: Memo Method: Teacher

The teacher in conclusion explains that the main goals of the RDP were:

- **Land Reform:** The redistribution of land and provision of land to people from whom it was forcibly taken during apartheid.
- **Housing**
The RDP aimed to build one million houses over a five year period
- **Water and sanitation**
Providing access to water and sanitation
- **Energy and electrification:**
Providing electricity to households, clinics and schools which were not electrified
- **Telecommunications:**
Providing all schools and clinics with telecommunications
- **Transport :**
The upgrading of public transport
- **Nutrition**
Ensuring every South African gets basic nutritional requirements each day. Abolishing VAT on basic food stuffs
- **Health**
The provision of free health care to children under six years of age and to all homeless children
- **Education**
Reduce the number of pupils in one classroom in any school to less than 40

SUCCESSSES

The RDP achieved the following

- Four million more people now have access to piped water
- Three million more people now have electricity
- Free health care is being provided to pregnant women and children under the age of six
- 5.4million children in approximately 1 500 schools are provided with free meals everyday.
- 1 500 schools have been renovated
- More than R 1 billion has been approved for new houses
- More than 500 clinics were built
- However, job creation, housing and land reform proved to be a far greater challenge to the government than was anticipated

SHORTCOMINGS

The shortcomings of the RDP were:

- Unrealistic goals
- Lack of integrated planning
- Inefficient delivery
- Lack of capacity
- Under spending on some projects
- Bureaucratic bottlenecks
- Protracted and inefficient consultation processes
- Funds not allocated
- Bureaucratic decisions were inefficient and ineffective because they were insulated from feedback.

GETTING INTO GEAR

After the failure to reverse the unemployment crisis, inadequate resources for the expansion of social services and insufficient progress towards equitable distribution of wealth and income, the government devised a new plan to replace the RDP. It was called the Growth Employment and Redistribution programme (GEAR). Gear is a macro-economic strategy which aims to enhance economic growth and employment. Gear was started on June 14, 1996.

It is important to note that the government itself cannot create economic growth or employment. It can only create an environment where that can happen. In the end, business and individuals created employment and economic growth Today, the following challenges still persist in the goal to meet basic human needs.

HOUSING

The process required to allocate money for building a house is cumbersome and ineffective. The Government does provide subsidies, but they aren't enough to build a standard home. The application process is difficult and one must be able to first prove that one owns the land. It is also difficult for low income earners to get bank loans because they are discriminated against.

LAND REFORM

More than 80% of South African farm land is owned by farmers who are white. Land reform targets require 30% of farm land to be owned by black farmers by 2015. The government has established the Settlement or Land Acquisition Act to govern the land reform process. But many billions of rands are needed to purchase farm land at market prices, and to pay compensation to those who lost land during the apartheid years.

JOB CREATION

Job creation was one of the primary goals for the RDP. But in May 1996 the government announced that 100 000 state jobs were going to be cut every year for three years. The government has now launched the Expanded **Public Works Programme (EPWP)** to build infrastructure such as roads, bridges and dams. These projects tend to require many skilled and unskilled workers. On the other hand, businesses in the private sector tend to be better than the government at creating **sustainable** jobs.

RESOURCES : Variety of Textbooks, Case study, Magazines, Chalkboard

Teachers Reflection: Were the outcomes met?

Did the learners perform well in assessment?

Did the activities strengthen the learners understand

How can I improve group activity

Expanded Opportunity:

Barriers to Learning :

