

## Labour Issues.

### Assessment Task

#### **Labour issues (Individual activity) (LO1 AS4)**

Read the passage below and answer the questions that follow.

Labour refers to the workforce of a country. These are the people who own the factors of production and without whom there would be no production. This is why industrial action can cripple an industry.

In South Africa we have an official unemployment rate of about 25%. This means that one in four people who could be part of the workforce don't have a job. The fact that many people are desperate for work could lead to exploitation of the labour force, as happened in the past all around the world. Workers did not enjoy fringe benefits, were paid very little and had to work long hours in poor working conditions without receiving overtime payment. Fringe benefits refer to benefits a worker can enjoy in addition to the salary or wages he or she receives. Common fringe benefits are a medical aid and pension fund to which both the employee and the employer contribute.

In South Africa, Parliament passed the Labour Relations Act (LRA) in 1995, which prescribed how employers should treat their employees. The Act sets out the rights and responsibilities of the employer and the employee. It makes provision for employees to belong to trade unions and to negotiate with their employers about any matter that is in their interest. The Labour Relations Act also protects the rights of domestic and farm workers. These workers must now be paid a minimum wage as prescribed in the Act. In terms of legislation, employers now have to contribute to the unemployment insurance fund of domestic, garden and farm workers. Failure to do so places you in contravention of the law.

Use the table below and state whether the following statements are true or false:

| <b>Statement</b>   | <b>True</b> | <b>False</b> |
|--|-------------|--------------|
| a) One in four South Africans has a job.   |             |              |
| b) Exploitation of workers took place not only in South Africa, but in European and other countries too. |             |              |
| c) Fringe benefits are things such as medical aid and a pension fund.                                    |             |              |
| d) Domestic workers and farm workers are excluded from minimum payment and unemployment insurance.       |             |              |
| e) The employer must contribute to a worker's unemployment insurance.                                    |             |              |
| f) Labourers own the capital necessary for production to take place.                                     |             |              |
| g) Labour refers to the people in an economy who can work.   |             |              |
| h) Unemployment can lead to exploitation of employers.   |             |              |
| i) In the past, workers were paid very little and had poor working conditions.                           |             |              |
| j) The LRA came into effect in 1995.   |             |              |