

Grade 7 EMS Worksheet

Assessment Task: Influence of apartheid on economic development

The relationship between ownership and wealth (Individual activity)

Do research in the library or on the Internet on the questions below and answer them in your workbook.

- a) Explain what is meant by wealth and wealth creation. [8 marks]
- b) How does ownership contribute to the creation of wealth? [8 marks]
- c) How did apartheid policies influence ownership? [9 marks]

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Suggested Solutions

Question number	Possible marks	Solution
1	25	<p>a) There are different definitions of wealth. Some people say that being wealthy is the same as being rich, but this is not the true meaning of wealth in a modern economy. ✓ In a modern economy, wealth refers to having a good standard of living. ✓ Adam Smith, the father of Economics stated that wealth “involves the building of assets by means of careful investment into asset-based investments, usually over a long period of time so as to achieve an income stream that will ensure a continuation of a high-quality lifestyle in the years beyond retirement.” ✓ Wealth is therefore something that everybody is entitled to, not only the rich. ✓ The first step of wealth creation is to have all your needs satisfied. ✓ For wealth to be created in a community, all the needs of the community should be met. When people’s needs are met they can concentrate on the second step of wealth creation, which is bettering themselves. ✓ People do this by getting a good education, going for additional skills training ✓ or making use of opportunities that put them in a position to satisfy their wants. When people are properly educated and trained, they will be able to use opportunities to improve their lifestyles and to create wealth. ✓ (Any valid eight points) [8 marks]</p> <p>b) When a person owns an asset, it improves the quality of life of the owner, which means it creates wealth. ✓ A home is one of the most valuable assets a family can own. ✓ A home (or property, which can include land) increases in value over time. ✓ When a family buys a home, they make an investment for their future, in other words they create wealth. ✓ Ensuring that you have savings is another way to create wealth. ✓ This is because you can use your savings to improve your quality of life. When you reduce your debt, ✓ so that you pay less interest, ✓ you have more money available to use on improving your lifestyle. So reducing debt is another way to create wealth. ✓ Starting and running a business successfully also creates wealth. ✓ (Any valid eight points) [8 marks]</p> <p>c) The information below has been sourced from www.sahistory.org.za. Learners should include any nine valid facts in their answer. The following apartheid legislation had an influence on ownership: Land Act of 1913: ✓ Prohibited blacks from owning or renting land outside designated reserves. ✓ Development Trust and Land Act No 18 of 1936: ✓ Expanded the reserves to a total of 13,6 per cent of the land in South Africa and authorised the Department of Bantu Administration and Development to eliminate ‘black spots’ (black-owned land surrounded by white-owned land). ✓ The South African Development Trust (SADT) was established ✓ and could, in terms of the Act, acquire land in each of the provinces for black settlement ✓ (RRS 1991/92: 381).</p>

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	<p>Black (Native) Laws Amendment Act No 46 of 1937: ✓ Prohibited acquisition of land in urban areas by blacks from non-blacks.</p> <p>Black Communities Development Act No 4 of 1984: ✓ Introduced freehold ownership. ✓ The Act stated that only a 'competent person' could lease or rent property. ✓ A person was 'competent' if she/he had section 12 rights in terms of the 1945 Natives (Urban Areas) Consolidation Act.</p> <p>Black Communities Development Amendment Act No 74 of 1986: ✓ Introduced freehold rights in urban black townships ✓ and extended the definition of 'competent person' such that 'homelands' citizens could acquire leasehold or ownership. ✓ The 1984 Black Communities Development Act was amended to allow 'South African' citizens and certain other blacks to acquire freehold property rights in black townships. ✓</p> <p>Black Communities Development Amendment Act No 77 of 1991: ✓ Amended the 1984 Black Communities Amendment Act to further regulate the granting and transfer of leasehold and the conversion of leasehold into ownership. ✓ (Any 9 facts) [9 marks]</p>
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