

## 1. Inflation

Your grandparents have probably told you that 'in the old days' they could see a movie, buy popcorn and enjoy a milkshake afterwards - for only R1! And you have probably noticed that the stuff you buy today is more expensive than it was some time ago.

This process of price increases is called inflation, which is different from the rise in price of a particular product (like takkies) or service (like travel by taxi). It's an ongoing general rise in prices across the whole economy.

Low inflation is thought to be good for job creation because foreign and local companies invest more and business owners know that labour costs will rise only slightly each year. High inflation is bad news - hurting the poor, pensioners and those who rely on fixed incomes. In times of inflation, those who want to save also discover that they buy less with their money than they could before - which discourages saving!

## 2. Interest Rates

The South African Reserve Bank has a duty to ensure price stability by controlling inflation, so its Monetary Policy Committee meets every 2 months to decide on appropriate repo rates (rates at which commercial banks can borrow funds from the Reserve Bank). Commercial banks then set the prime interest rate (prime lending rate) at which they'll lend money to consumers.

So, are lower interest rates good or bad? Well, that depends. If you have a study loan at a bank, lower interest rates are great because they mean that you'll have to pay the bank less interest. But if you have investments and you use the interest as a source of monthly income, lower interest rates mean you'll get less money than before.

## 3. Government Spending

How much the Government decides to spend in a given year and how it plans to finance that spending, is called fiscal policy. And believe it or not, Government spending has a major impact on our day-to-day living. It determines taxes and affects interest rates.

**How does the economy affect you? Believe it or not, the economy affects all of us! And while we tend to think of it as a complicated thing - relevant only to adults and boring people - everyone should understand the factors that shape it.**

Just as you may borrow money to build a home, so Government borrows money to build roads, schools or hospitals. It's unsurprising then, that a government is usually a country's single biggest borrower. And it makes sense that the more government borrows, the higher interest rates will go. After all, there's only so much money available to borrow!

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#### 4. International Trade

Trade with other countries plays a major role in everything economic – from inflation to interest rates. If a country exports more than it imports, it's doing well because there's more money coming into the country than going out. Complicated? Well, the Reserve Bank makes things clearer by publishing monthly figures on the balance of payments - the difference between money coming in and money going out.

#### 5. Economic Growth

Economic growth indicates how well or badly we're doing as a country. If economic growth (measured in terms of Gross Domestic Product, which is the value of everything produced in South Africa) is happening faster than population growth, we're doing very well! But South Africa has some catching up to do. In fact, experts explain that economic growth of at least 5% is needed to combat (fight) unemployment and poverty.

**The Bill of Rights is a powerful tool for  
uplifting ourselves and our communities.  
But no-one will enforce our rights for us;  
it's up to each individual to do it!**

Did you know that South Africa has a special document called the Bill of Rights that gives each of us a whole set of rights? Did you know that all laws that Government wants to pass and all acts that Government or others want to carry out, can be tested to see if they comply with the Bill of Rights?

One of the most important rights is the right to equality. No-one (Government or anyone else) can discriminate unfairly against any person. The Bill of Rights mentions different kinds of discrimination that we find in society and makes it clear that these aren't allowed. Examples include race, sex and sexual orientation (which means that no-one may discriminate against you if you're a gay or lesbian person).

Another of the most important rights is the right to dignity. It, like freedom and equality, is one of the founding values of our Constitution, which means that it's absolutely fundamental to South Africa. The right to freedom means that no-one may commit violence against you and that Government can't put you in jail unless it has a good reason to do so.

Other rights include the rights to life, privacy and not to be forced to work against your will or be a slave. The right to life means that the state can't take away peoples' lives, so the death penalty for criminals is not allowed in South Africa.

The Bill of Rights says that each of us has the right to believe whatever we want and to follow whatever religion we choose. We also have a right to say what we want to (freedom of expression), as long as it doesn't cause hatred or harm. Related to these rights are the right to demonstrate (protest peacefully) and freedom of association, which means we can spend time with whomever we want and join any organisation we choose.

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Every South African citizen has the right to vote in elections (see Politics, Democracy and Voting). If you're not a South African citizen you can't vote, but if you're from outside South Africa and have been here for a long time you can apply to the Department of Home Affairs to become a citizen. Once you've done that, you'll be allowed to vote.

**Knowing your rights is a good way to empower yourself. Although complicated procedures must sometimes be followed to enforce your rights, knowing about them is the first step to enforcing them!**

You have the right to move freely around South Africa and to leave whenever you want. You can choose to have any job and to be treated fairly by your boss. Many people don't know that you also have the right to a clean and healthy environment.

According to the Bill of Rights, Government can't take away your property without paying you for it. You also have the right to housing, water, food and healthcare.

You have the right to education, to practice your own culture as long as it doesn't affect other people and to appear before the courts if you need their help to resolve any dispute.

You also have the right of access to information, which means that you can ask Government (and in some cases, private organisations) for any information that you think you may need.

Do you know what administrative action is? Administrative action is any action which may affect your rights; for example, the decision of a headmaster to expel a student or Government's decision to give you a passport. (see Apply for an ID Book, Passport and Visa) You have the right to fair administrative action.

Many people think that criminals have no rights, but did you know that if you're sent to jail you have the right to be treated properly, to be given medicine and food and not to be harmed by the wardens? Also, if you're accused of a crime the court has to believe that you didn't do it until Government brings enough evidence to show that you did. You are innocent until proven guilty.

**It's important to realise that it may take Government some time to provide everyone with these rights; it's not realistic to expect Government to provide them all right away!**

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