Bestuursekonomie: Groep werksopdrag Inhandiging: 21/23 Apr
Managerial Economics: Individual assignment Submission: 21/23 Apr

MEMO

Vraag / ***Question:***

Ons is op die randjie van groot veranderinge in ons planeet se klimaat en die tegnologieë wat ons ontwikkel. Die impak van hierdie veranderinge is onvermydelik en sal die manier waarop ons leef, werk, regeer en besigheid doen verander. / ***We are on the brink of great changes both in our planet's climate and the technologies we are developing. The impact of these changes are inevitable and will change the way in which we live, work, govern and do business.***

- Watter uitdagings sal ondernemings in terme van hul verantwoordelikhede in die gesig staar ten opsigte van klimaatsverandering? / ***What challenges will firms face in terms of their responsibilities when it comes to climate change?***
- Watter uitdagings staar maatskappye in die gesig wanneer hulle moet besluit oor die optimale kombinasie van kapitaal en arbeid, met die beperkinge van koste, arbeidsreg, produktiwiteit en mededinging in gedagte? / ***What challenges do firms face when deciding on the optimal mix between capital and labour, given the constraints of costs, labour law, productivity and competition?***

Instruksies / ***Instructions:***

Skryf 'n omvattende 3 000 woord opstel (insluitend verwysings), wat verwys na al die aspekte wat in die bostaande vraag genoem word. Die opdrag moet as 'n A4-dokument in 'n harde kopie in die klas ingehandig word (1.5 spasiëring, Times New Roman 12pt, beide kante gedruk en korrekte verwyssings moet gebruik word). Woordtelling moet op die voorblad verskyn. Die versuiming om hierdie riglyne na te kom sal lei tot die verloor van punte. / ***Write a comprehensive 3,000 word essay (including references), referring to all the aspects mentioned in the question above. The assignment must be submitted as a hard copy word-processed A4 document in class (1.5 spacing, Times New Roman 12pt, double sided printed and correctly referenced). Word count should be reflected on the cover page. Penalties will apply if these guidelines are not adhered to.***

<u>Marks are allocated for the following:</u>

Climate change – discussion on:

- Constraints imposed by nature
  - lack of clean water for human consumption
  - lack of potable water for agriculture
  - lack of potable water for industrial applications
  - rising sea levels – reduced land area for development
  - migration caused by climate change

- Constraints imposed by government
  - Policy on the use of water – restrictions put in place with fines for exceeding those restrictions
  - Policy on air pollution – worldwide regulations
    - CO_2 tax for polluting the air
    - Carbon credit limits
    - Costs of converting to cleaner production methods
    - Costs for exceeding carbon emissions

Technological change – discussion on:

- Impact on capital
  - Increase in productivity – we are moving into an era of abundance
  - Reduction in production costs

- Impact on labour
  - Many skills will become redundant and may will lose their jobs as a result (a minimum of 5 million by 2020)
  - Existing skills sets will have to change
  - Skill shortages will be created as new skills will be needed to operate in this changing environment
  - Labour unions will play an increasingly important role in protecting jobs and fighting for their members
  - Current workers will have to be retrained to continue in employment

- Impact on labour law
  - Competitive and comparative advantages between countries will be dictated by the flexibility of their labour laws
  - Those who are less stringent will become destinations for FDI as companies will seek out countries that favours a higher capital to labour mix

- Productivity
  - Countries that have more capital intensive industries will lead this technological revolution

    - Companies will try to establish themselves in countries that are pro-technology in order to capitalise on a higher-skilled workforce

- Competition
    - Competition will continue to become fiercer over time
    - Companies that can't adapt will die out or be bought and restructured
    - Technological advance will be the only way to survive – leading to an ever greater capital to labour mix