		DEPARTMENT OF ECONOMICS AND ECONOMETRICS FINAL ASSESSMENT JUNE 2016 APK CAMPUS

Course: Labour market Issues LMI9x01

Marks: 150

Time: 3 hours

Assessor: Dr K Viljoen

External Moderator: Prof PF Blaauw

Instructions:

1. The paper consists of **4** questions
2. Answer **any three questions** of your choice.
3. Number of pages: 2 pages

Question 1: (50)

A National Economic Development and Labour Council (NEDLAC) task team is currently discussing the implementation of some form of a national minimum wage agreement for South Africa. Currently there is a series of hearings and workshops held on the possibility of implementing such a national minimum wage. Critically discuss the following regarding minimum wages:

a) The theoretical debate around the effects of minimum wages (Keynesian, neo-classical and post-Keynesian schools)

b) Minimum wage determination in South Africa and evidence of the impact of minimum wage legislation in the retail, domestic worker, taxi, forestry and security sectors,

c)   Arguments **in favour** and **against** the implementation of a national minimum wage for South Africa

Question 2:   (50)

Income inequality in South Africa is a serious concern. Discuss:

a)   The extent, causes and consequences of income inequality in South Africa.

b)   The role that unions play in helping to decrease income inequality.

Question 3:   (50)

South Africa is one of the countries with the highest unemployment rates. One out of every four people in the labour force is currently unemployed. The unemployment rate amongst the youth is an even bigger crisis.

a)   Explain the various types of unemployment.

b   Analyse the possible causes of unemployment in South Africa.

c)   Indicate what role skills development can play in an attempt to reduce the unemployment crisis amongst the youth.

Question 4:   (50)

a) Discuss the employment and wage effects that globalisation and trade liberalisation might have on:
i) Developed countries; and
ii) Emerging countries.

b) Discuss how globalisation and trade liberalisation effects the South African textile industry **OR** the South African agricultural sector (choose only one).

End of paper