



DEPARTMENT OF ECONOMICS AND
ECONOMETRICS
FINAL ASSESSMENT NOVEMBER 2017
APK CAMPUS

Module: 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) Report on the current state of the South African Labour market and highlight the most pressing issues. (20)
- b) Distinguish between statistical and taste discrimination in respect of labour market discrimination. (10)
- c) Use evidence from South Africa to discuss whether employers discriminate against immigrants in the hiring process or not. (20)

Question 2:

[50]

- a) Give an overview of the labour force participation rates and trends of males and females in South Africa between 2009 and 2015. (10)
- b) Outline the determinants of labour force participation of women in South Africa using evidence from research done by Ntuli (2007) (20)

c) Critically discuss the effects of technology, trade and skills on employment in middle income countries such as Brazil and South Africa. (20)

Question 3: [50]

a) Provide and discuss the Mincerian earnings equation mostly used to estimate rates of return to education. (10)

b) Discuss the key differences in measuring the return on education using sorting models rather than just the human capital theory (20)

c) Evidence in the literature suggests that the sources of the gender wage gap are quite different from other wage gaps.

“Gender differences in schooling and cognitive skills ... are quite small and explain little of the pay gap. Instead the gender gap largely stems from choices made by women and men” concerning their labour market activities (O’Neill & O’Neill, 2005).

Critically discuss this statement. (20)

Question 4: [50]

a) Compare the economic effects of minimum wages in the Keynesian paradigm with that in the Neo-classical paradigm. (25)

b) Give an overview of minimum wage determination in South Africa and provide evidence of the impact of minimum wage legislation in the retail, domestic worker, taxi, forestry, and security sectors. (25)

End of paper