



**NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY  
FACULTY OF COMMERCE, HUMAN SCIENCES, AND EDUCATION**

**DEPARTMENT OF GOVERNANCE AND MANAGEMENT SCIENCES**

<b>QUALIFICATION: BACHELOR OF EMPLOYMENT AND LABOUR RELATIONS DEGREE</b>	
<b>QUALIFICATION CODE: 08BERLH</b>	<b>LEVEL: 8</b>
<b>COURSE CODE: LEC812S</b>	<b>COURSE NAME: LABOUR ECONOMICS</b>
<b>SESSION: November 2025</b>	<b>PAPER: THEORY</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>

<b>1<sup>st</sup> OPPORTUNITY EXAMINATION QUESTION PAPER</b>	
<b>EXAMINER</b>	<b>Ms Martha Namutuwa</b>
<b>MODERATOR:</b>	<b>Mr. Elias Amunyela</b>

<b>INSTRUCTIONS</b>
<ol style="list-style-type: none"><li>1. Answer ALL the questions.</li><li>2. Write clearly and neatly.</li><li>3. Number the answers clearly.</li></ol>

**THIS EXAMINATION QUESTION PAPER CONSISTS OF 5 PAGES INCLUDING THE COVER PAGE.**

READ THE QUESTIONS BELOW CAREFULLY AND ANSWER THEM ALL.

SECTION A

40 Marks

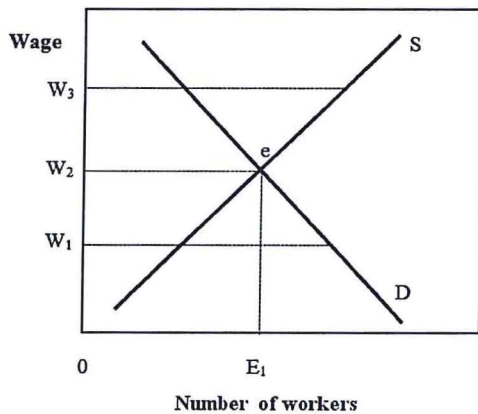
1.1 Explain the importance the Namibia's Labour Force Surveys with examples? 10 Marks

1.2 Discuss the why productivity and labour should be considered together? 10 Marks

1.3 Discuss factors that can determine the supply and demand for labour in the Namibian labour market 10 Marks

1.4 The graph below illustrates equilibrium in a perfectly competitive labour market. Make use of the graph to answer questions that follow by choosing the correct answer among the five options provided as possible answers. 10 Marks

Answer



1.4.1 Which of the following is NOT correct? (2 marks)

- (a) Equilibrium takes place at point e.
- (b) The equilibrium wage is  $W_2$ .
- (c) The equilibrium wage is  $W_1$
- (d) Number of workers employed at equilibrium is  $E_1$
- (e) Equilibrium takes place where labour supply and demand curves intersect.

1.4.2 When the labour demand curve shifts rightwards, at the new equilibrium (2 marks)

- (a) there is no change in wage.

- (b) the wage decreases.
- (c) The wage increases
- (d) the labour supply curve also shifts rightwards.
- (e) the labour supply curve shifts leftwards.

1.4.3 When the wage rate equals  $W_1$ ,

**(2 marks)**

- (a) this wage is below the equilibrium wage.
- (b) there is an excess demand for labour.
- (c) Number of employed decreases compared to what happens at equilibrium
- (d) unemployment does not take place.
- (e) the number of employed remains unchanged at  $E_1$ .

1.4.4 Which of the following statements is NOT correct? The informal sector includes economic activity that mostly

**(2 marks)**

- (a) makes use of simple labour-intensive technology.
- (b) is legal but is often unregistered.
- (c) Is illegal and unregistered
- (d) is unregistered and therefore also unregulated.
- (e) is individually or family owned.

1.4.5 Productivity is traditionally measured as

**(2marks)**

- (a) quantity of input / quantity of output.
- (b) quantity of output/quantity of input
- (c) total revenue / total cost.
- (d) quantity of labour / quantity of capital.
- (e) None of the above is correct.

Read the article below and answer the questions that follow.

#### The rise of 'militant' unions in Namibia

As Namibia joins the rest of the world in celebrating Workers' Day tomorrow, most unionists in the country feel the financial situation is tough for many workers. Workers' Day, celebrated every first day of May worldwide, coincides with the rise of radical unions. Among them are the National Union of Retail Industry Workers of Namibia, fronted by businessman-cum-activist Michael Amushelelo, as well as the Namibia Media Professionals Union (Nampu) fronted by Jemima Beukes, and the Affirmative Repositioning-affiliated Revolutionary Union.

"However, thanks to the introduction of the National Union of Retail Industry Workers of Namibia, as well as the Namibia Security Workers Union of which I am the president, workers are regaining their faith and trust in unions once more," he says. Amushelelo says a big challenge for unions is the weaponisation of the courts to grant interdicts to companies to prevent unions from representing workers. "Thus far, we have been interdicted from Namib Mills Pty Ltd and Namica Supermarket CC, where we have members who need our representation due to the exploitation of workers. The high unemployment rate we have in our country also makes it difficult for workers to exercise sit-ins as a tool for industrial action, because they are just immediately dismissed and replaced with the next unemployed individual," he says. Amushelelo says strikes were the greatest defence against exploitation, however, a Supreme Court ruling, which now allows companies to make use of casual workers while employees are striking, makes it difficult for workers to force companies to negotiate with them.

#### 'NON-EXISTENT MINISTRY'

He says another factor is the "non-existent Ministry of Labour, Industrial Relations and Employment Creation", which he says is supposed to enforce and protect the interests of workers. Amushelelo says the government considers investors' interests before those of workers.

"If you are not happy with the salary, the attitude is 'go home, there are over 1,6 million Namibians who are unemployed and will be very happy to earn these peanuts you don't want to'. The problem is that companies have gotten used to dealing with sellout unions that are paid bribes to not defend and protect the interests of workers," he says. "Now that they are dealing with militant and radical unions, confrontation becomes the order of the day to force them to the negotiation table. "Plus, most companies, once they see it is the militant and radical unions, refuse us entry to their premises, and, unfortunately, we are forced to take action to show them we are not these useless Mickey Mouse unions they are used to dealing with," Amushelelo says. Adopted from the Namibian newspaper, 30 April 2024 by Eino Vatileni

2.1 Reflecting at the above Namibian article, discuss the negative and positive impact of the unions on flexibility and productivity in the labour market **20 Marks**

2.2 With reference to the article what would be the expected role of the “Non-existence Ministry” referred in ensuring fair condition of employment in case there is no collective bargaining intervention. **10 Marks**

2.3 Discuss the assumptions of a Perfectly competitive labour market and the Monopsony market? **10 Marks**

2.4 Explain the factors that cause wage differences among employees in the labour Market **20 Marks**

**[TOTAL MARKS 100]**