THE IMPLICATIONS OF GLOBALISATION ON SOUTH AFRICAN GENDER AND ECONOMY: A COMPUTABLE GENERAL EQUILIBRIUM (CGE) ANALYSIS

by

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DEDICATION

This thesis is dedicated to the memory of my loved ones:

My father: Omuhesi Johesaphat Bishashaga Kinyondo
My brother: The Honourable Sebastian Rukiza Kinyondo
My sister: Christina Kokulengya Kinyondo
My mother-in-law: Harriet Peuse
My nephew: Richard Muheleji

MAY YOUR DEAR SOULS REST IN PEACE

APPRECIATION

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Godbertha K. Kinyondo
ABSTRACT

Using a Computable General Equilibrium model, this study analyses the effects of globalisation on gender and the South African economy, disaggregated into 49 sectors. The analysis assesses the effects of three policies: full trade liberalisation, increased productivity, and liberalisation under Doha Round commitments.

Trade liberalisation results in contraction of import-competing, labour-intensive sectors, resulting in job losses. Some losses are offset by increased employment demand in expanding export-oriented and service sectors. All skill types, particularly unskilled women, witness growth of employment, hence improved earnings. Skilled men gain the most and unskilled women the least due to their initial lower wages, greater job losses in women-intensive sectors and relocation to low-paying positions.

Economy-wide productivity is expansionary, resulting in increased employment demand and earnings of all skill types for men and women, with skilled men gaining the most. A productivity rise directed at only a few sectors contributes to job losses for all skill types, but as efficient sectors expand, inputs are demanded from linked and service sectors, leading to overall economic improvement hence economy-wide job creation which offset job losses.

If world prices in agriculture increase under the Doha Round, production and exports of agricultural commodities such as maize increase, resulting in employment demand of all skill types for men and women, who relocate from mining and manufacturing to the profitable agricultural sector. The benefits however will follow the extent of price rise due to offsetting domestic policy of tariff reduction, coupled with the abolished policies of domestic support and subsidies. Doha results in a slight impact at the aggregate level.

Globalisation improves household welfare, where high-income households gain from ownership of capital and skilled labour, while poor-households gain from employment growth of unskilled labour and reduced domestic prices enabled by cheap imports.

Where globalisation results in increased employment for women, even unskilled women, who earn far less than their skilled counterparts, report greater autonomy and sense of an improved personal and household decision-making. Therefore, promoting greater job remuneration and equity between genders require appropriate education, training and collective-bargaining so as to reverse gender setbacks hence enabling full participation of all in a globalised economy.
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<tr>
<td>AMS</td>
<td>Aggregate Measure of Support</td>
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<td>AsgiSA</td>
<td>Accelerated and Shared Growth Initiative for South Africa</td>
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<td>CGE</td>
<td>Computable General Equilibrium</td>
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<td>CES</td>
<td>Constant Elasticity of Substitution</td>
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<td>CET</td>
<td>Constant Elasticity of Transformation</td>
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<td>CPI</td>
<td>Consumer Price Index</td>
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<td>European Community</td>
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<td>EV</td>
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<td>FDI</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GEAR</td>
<td>Growth, Employment and Redistribution</td>
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<td>IDC</td>
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