

Tiedekunta-Fakultet-Faculty Valtiotieteellinen tiedekunta		Laitos-Institution-Department Institute of Development Studies	
Tekijä-Författare-Author Eskola, Elina			
Työn nimi-Arbetets titel-Title The Poverty Impact of Trade Liberalization among and within SADC Countries			
Oppiaine-Läroämne-Subject Development Studies			
Työn laji-Arbetets art-Level Master's thesis		Aika-Datum-Month and year 2003-02-03	Sivumäärä-Sidantal-Number of pages 121 + 13 appendices
Tiivistelmä-Referat-Abstract <p>The aim of this study is to model the likely poverty impacts of multilateral trade liberalization in SADC-countries, especially in Zambia and Botswana, both in the short run as well as in the long run. Trade scenarios under closer look are EU's Everything but Arms initiative, SADC free trade area and free trade area between SADC and the EU. The analysis of these policy changes is implemented by using the GTAP5 database and adjusting the simulations into household data collected by the Central Statistics Offices in respective countries.</p> <p>The theoretic framework used in this study was first developed by Winters (2000 a,b,c and 2002). The focus in the framework is on the static poverty impacts of trade liberalization and, thus, economic growth and short-term adjustment costs are excluded. Trade liberalization has an overall direct effect on 1) Price transmission, 2) Enterprises, and 3) Taxes and government spending. Households and poverty are impacted through the changes in the price of the consumption basket, employment and wage as well as the provision of the public goods.</p> <p>In sum, trade liberalization was not found to be harmful for either Botswana nor Zambia in the long run, but the ability to benefit from the trade liberalization was heavily dependent on the country's original situation. In Zambia the overall utility decreased in the short run reflecting the country's poor readiness for international competition. In the long run, Zambia could reach 8% increase in utility when its production has adjusted to the new situation. Botswana is able to benefit right from the start and attain as high increase in utility as 27%. The consumer prices in both countries decreased benefiting the households. In the short run, the wages increase by 1% in Zambia and 4-5% in Botswana in general. In the long run the demand for labor rose by 6-10% in Zambia and 24-32% in Botswana. The government expenditure decreased by 1% in both countries in the short run due to trade liberalization. In the long run the government income rose substantially. On the whole, trade liberalization was found helpful but insufficient poverty reduction policy.</p>			
Avainsanat-Nyckelord-Keywords Trade liberalization - SADC-free trade area - EU's Everything but Arms (EBA) - EU-SADC free trade area Poverty eradication - Zambia - Botswana			
Säilytyspaikka-Förvaringsställe-Where deposited			
Muita tietoja-Övriga uppgifter-Additional information			