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**THE IMPACT OF GENDER INEQUALITY ON ECONOMIC DEVELOPMENT\*****Ongezwa Ndzabela <sup>1\*</sup>, Yusuf Lukman <sup>2</sup>**<sup>1\*,2</sup> *Walter Sisulu University, South Africa**E-mails:*<sup>1\*</sup> [218144857@mywsu.ac.za](mailto:218144857@mywsu.ac.za) (Corresponding author); <sup>2</sup> [ylukman@wsu.ac.za](mailto:ylukman@wsu.ac.za)*Received 9 August 2023; accepted 10 October 2023; published 30 December 2023*

**Abstract.** Gender inequality in employment remains a significant challenge in many countries, including South Africa. The impact of this inequality on economic development is a topic of increasing interest and concern, with many studies showing a correlation between gender equality and economic growth. This study explores the impact of gender inequality in employment on economic development in South Africa, with a case study of Nyandeni local municipality. The study employs a quantitative, statistical technique to answer the study issues. The article explores the challenges faced by women in the workforce, the impact of gender employment equity policies, and the role of government, businesses, and civil society in addressing gender inequality in employment and promoting economic development within Nyandeni Local Municipality. This research seeks to determine if women's work will provide an extra lever for economic expansion. A fundamental study on women's involvement in economic development describes the position of women in Africa, Asia, and Latin American nations. The theory that frames the accompanying debate focuses on inequalities, growth, gender, and capacities in general, and the influence of gendered disparities on salaries, education, and economic growth. This research aims to reveal a connection between economic development in South Africa and gender equality. As a second objective, the study seeks to determine whether the contribution of women to economic growth provides extra valuable information for economic policymaking. South Africa's gender gap in employment remains despite legislative and legal progress in the battle against gender inequality.

**Keywords:** a case study; Nyandeni Local Municipality; South Africa; gender inequality; economic development; civil society; equity; economic expansion

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**JEL Classifications:** O15, O43

## 1. Introduction

Gender equality is not just a moral problem but also a crucial economic one (IMF, 2017). Despite a sluggish recovery from the COVID-19 epidemic and rising disparities, governments are searching for measures to spur economic growth, alleviate poverty, and enhance equality (WHO-2020). Numerous variables, such as economic diversification, infrastructural development, technology skills development and education, migration, and inclusive growth, might stimulate economic expansion. According to Feldstein (2017), a 1% rise in average income or consumer spending reduces poverty by 3%. The World Bank's *Attacking Poverty* (2018) concluded that a 1 percent decrease in poverty is more likely to result in a 2 percent increase in GDP. The study's central

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premise is that gender parity in employment in a nation will lead to better economic development. The more a nation's economy grows, if it implements policies that raise the number of women eligible for the labor market. This implies that the greater the number of employed women who can contribute to the economy, the greater the economic expansion.

Since the publication of the World Bank's *Attacking Poverty Report* (2000), the Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs) prioritize poverty reduction as the primary objective. Development programs have evolved to include poverty reduction, marginalized groups, women, and incorporating women as integral components of development narratives. The World Bank (2015) highlights the importance of addressing poverty and promoting gender equality in development (Obiorah, 2016).

South Africa's Eastern Cape is home to the Nyandeni Local Municipality in the OR Tambo District. Libode serves as its administrative capital. The whole municipal area is located inside the erstwhile Transkei homeland territory. The two tiny settlements of Libode and Ngqeleni have most of the urban population. Dispersed, low-density rural communities dominate the municipality. Seventy-nine percent of households dwell in traditional or village-like communities. These communities are scattered over the municipal territory and bordered by common grazing and cultivable grounds. Most residential constructions are constructed by their owners. There are minimal signs of considerable economic activity in the rural communities, apart from a few trade establishments (Ortiz-Ospina, & Roser, 2019).

Historically, many families in the rural areas of the municipality were supported by men who worked as migratory labor in nearby mines. Subsequent layoffs in the mines have left these villages with little resources for survival. Approximately 77% of families have a maximum of R800 (roughly \$108) monthly income. The majority of Nyandeni's educational institutions serve students in lower grades. The OR Tambo District office reports that 64 percent of the 426 schools in the Nyandeni region are overcrowded or overloaded (Ortiz-Ospina, & Roser, 2019).

Sixty-four individuals are elected to the municipal council using mixed-member proportional representation. In thirty-two wards, thirty-two councillors are elected via first-past-the-post voting. At the same time, the additional thirty-two are selected from party lists such that the number of party members is proportionate to the number of votes obtained. This study aimed to determine how gender inequality in employment affects South Africa's economic development. This topic still emphasizes the impact of gender inequality in employment on economic development in South Africa, but it narrows the focus to a specific municipality.

Considering South Africa's middle-income position, gender disparities in employment and education impede GDP development (Beneria & Sen, 2021). The OECD (2021) forecasts that unemployment and inequality in South Africa will continue to be high due to substantial skill disparities and poor education quality.

In feminist literature, race and gender have been the consistent determinants of the degree of access women and black women have to the official South African economy (Berik & Kongar, 2021). Youth development, women's economic empowerment, and concerns about serving "the poor" have taken center stage in growth-promoting measures to foster inclusive growth (Bosch & Barit, 2020). Despite this, gender disparities continue to underlie social and economic inequity across South Africa's economic development trajectory has shifted from being one of the most successful African countries in the 1990s with a growth rate to one of the continent's economies with the worst growth rate in 2018 at 1.1 percent (AfDB, 2018). The official statistics from Statistics South Africa (StatsSA-2019) provide policymakers with an intriguing challenge: how can they restore South Africa to its previous position as the economic powerhouse of Southern Africa and the rest of the region? What must the government do to bring South Africa's economic development on a positive trajectory?

Therefore, the main objective of this study is to determine the impact that gender inequality in employment has on economic development in South Africa.

## **2. Statement of the problem**

Considering South Africa's middle-income position, gender disparities in employment and education impede GDP development (Beneria & Sen, 2021). The OECD (2021) forecasts that unemployment and inequality in South Africa will continue to be high due to substantial skill disparities and poor education quality. In feminist literature, race and gender have been the consistent determinants of the degree of access women, and black women, in particular, have to the official South African economy (Berik & Kongar, 2021). Youth development, women's economic empowerment, and concerns about serving "the poor" have taken center stage in growth-promoting measures to foster inclusive growth (Bosch & Barit, 2020). Despite this, gender disparities continue to underlie social and economic inequity across South Africa's economic development trajectory, which has shifted from being one of the most successful African countries in the 1990s with a growth rate to one of the continent's economies with the worst growth rate in 2018 at 1.1 percent (AfDB, 2018). The official statistics from Statistics South Africa (StatsSA-2019) provide policymakers with an intriguing challenge: how can they restore South Africa to its previous position as the economic powerhouse of Southern Africa and the rest of the region? What must the government do to bring South Africa's economic development on a positive trajectory?

## **3. Purpose of the study**

This research aims to see whether there is a connection between economic development in South Africa and gender equality. As a second objective, the study seeks to determine whether the contribution of women to economic growth provides extra valuable information for economic policymaking. South Africa's gender gap in education and employment remains despite legislative and legal progress in the battle against gender inequality. Furthermore, if gender-lens research is expanded, policymakers will have a comprehensive view of the link between employment and economic development.

Policymakers must take a more significant role in determining which programs are most effective in halting South Africa's decline. Development programs in South Africa have stressed education and employment as critical drivers of economic growth and long-term development since apartheid ended in 1994. By adjusting policies in various economic areas, policymakers hope to discover the growth-inducing magic wand. Foreign Direct Investment (FDI) is an example of economic policy that examines methods to increase exports by promoting local industry growth or generating more employment. They would advocate for a greater emphasis on infrastructure delivery to create more employment. The ultimate goal of these policy actions is to boost the economy.

This research investigates the link between women's employment, educational attainment, and economic development as measured by real GDP growth. Compared to research on the significance of financial inclusion, strong institutions, power capacity, and infrastructures in economic growth, fewer studies examine the effect of including women in the formal sector. As a result, this publication will contribute to a growing corpus of research that analyzes how gendered analyses might influence economic choices, measures, and consequences. In this study, feminism is recognized as a legitimate economic theory.

## **4. Literature review**

### **Gender inequality in employment on economic development: Overview**

Globally, work possibilities for women are minimal, and South Africa is no exception (Department of Women, 2020). Women must actively participate in the labour force to achieve equality, success, and inclusive development in South Africa (Department of Women, 2020). The quantity of resources an individual has access

to as a consequence of working and earning a livelihood affects their capacity to engage in other sectors of the economy (Feldstein, 2017). Due to gender stereotypes and unequal allocation of duties, female labor force participation may be constrained (Feldstein, 2017). Women are considered the household's significant caregivers, while men are viewed as the primary breadwinners (Feldstein, 2017).

According to the World Economic Forum's (WEF), (2020) Global Gender Gap Index 2020, South Africa ranks nineteenth out of 149 nations regarding gender imbalance. The nation ranked top in health and survival equality but only 91st in economic participation and opportunity (WEF, 2020). Thus, even though South Africa's economic GGP score indicates a high degree of gender equality, there is strong evidence that women in South Africa lag behind men in economic participation and opportunity (African Development Bank, ADB, 2018). This persistent gender imbalance is a terrible accusation of the government and corporate sectors' capability to construct a genuinely equitable nation.

Due to these "inequalities based on gender, race, ethnicity, and class," Obiorah (2016) suggests that "macroeconomic policies that are likely to promote broadly shared growth" must address these inequalities. This topic is discussed by Amartya Sen's capabilities approach, which pertains to the capacity or inability of people to live their best lives. According to Giddings (2021), development gives individuals the tools and frameworks they need to improve their lives and those around them. According to feminist economists, their analysis of inequalities and disparities between groups is predicated on the premise that men and women experience life and institutional contexts differently (Jakab, 2020). Due to this assumption, policymakers may consider the extra costs of equality and "distributional friction and pushback from groups who benefit from the status quo distribution" (Heath & Jayachandra, 2017).

According to Jayachandran (2015), the Gender Kuznets' Curve is a model used to explain the relationship between economic progress and gender inequality. In other words, as countries developed, the wealth gap "increased, peaked, and then declined," according to Kuznets's 1955 study (Kabeer, 2016). According to the political economics study of the Kuznets Curve by Klasen (2018), there will be growth without social discontent when initial disparity is minimal; another result is that "even growing inequality may not be sufficient to drive political change" when civil society is "unmobilized." Therefore, it will only be possible for a society with broad discrepancy to become more equal if government measures significantly modify past disparities (Kocourek & Nedomlelova, 2018).

Mackay & Murtagh (2019) found that economic development has a nonlinear effect on the number of women in the workforce and that "economic success does not guarantee gender equality" in seven developed countries. Due to this correlation, growth may harm inequality (Lowndes, 2020). These results indicate no direct correlation between gender equality and economic growth. There must be constant examination and modification of policy to ensure that the positive benefits for women are preserved while the destructive features are mitigated and resolved (Mackay & Murtagh, 2019). Ferreira Sen's capacity theory states that growth, education, and employment are interconnected. According to Morsy and Youssef (2017), inequality limits growth, although varying degrees depending on a country's level of development. Low economic growth may emerge from an economic system based on uneven accessibility to services such as education and employment.

As a consequence of Ngepah et al. (2021) study, gender inequality is seen as a driver of economic growth, which has implications for policy implementation. Ngepah et al. (2021) estimate capital stock, skilled adjusted woman and man workforces, and technological breakthroughs using growth accounting approaches. She concludes that gender imbalance is beneficial to economic progress. The gender-based wage disparity between men and women has contributed to the success of export-driven economies (Ngepah et al., 2021). Export-driven companies utilize women's cheaper labor to drive profit approaches, and countries with gendered pay disparities attract more export-driven industries (Ngepah et al., 2021). The majority of prior research shows that gender imbalance is harmful to

economic growth; however, Pelinescu (2015) demonstrates that this is not the case. She argues that the more significant contribution of women to export-driven economies between 1975 and 1995 led to wage inequality, which in turn led to a rise in investment due to higher returns.

In contrast to Seguino's results, however, (2021) conclude that gender equality has contributed positively to economic growth and has shown to be quite robust. There is a disparity between traditional economic analysis and feminist analysis, which Silver & Klasen (2021) argue may be attributable to methodological discrepancies. To model equality for women, neoclassical economics only analyzes 'education, employment, and earnings,' but feminist economics incorporates a "wide range of equality criteria, including well-being, rights, and political activity" (Wannachai, 2019). According to Wannachai (2019), there is a bidirectional correlation between economic progress and enhancing women's access to development, including health and education, earning potential, rights, and political contribution.

Historically, economic research has not given much attention to women's contributions to economic development. However, this is beginning to change as an increasing number of economists examine the position of women in the labor market and their educational attainment.

Abney & Laya (2018) use dynamic panel regressions and new time series data to illustrate that gender differences negatively influence economic progress. It is discovered that the economy's structure impacts the potential to reduce gender-based economic disparity.

## **5. Theoretical frameworks**

### **Theories of economic growth**

Before discussing feminist views of development, we need to recall that economic growth economic development is a separate area of study. The neoclassical or exogenous models propose that external factors, such as savings, capital, and total productivity, promote economic growth.

The second category of models, endogenous growth models, gives more granularity in identifying the factors that drive economic development. Economists examine the development of knowledge, the accumulation of human capital, and government taxation policies. The endogenous models stress that when additional variables are improved, growth will be accumulative. These economic models provide the basis for understanding how to model economic growth by including various production aspects. This article utilizes the endogenous model by analyzing the benefits of education and employment as parts of knowledge generation and human capital accumulation and the benefits of education and employment for women to economic growth.

### **The feminist economic theory**

Berik & Kongar's (2021) pivotal study on women's involvement in economic development describes the position of women in Africa, Asia, and Latin American emerging nations. Her premise was that global capitalism and economic progress impacted women unequally. Because orthodox macroeconomics and growth programs have gendered impacts, studies must include disparities, gendered labor, and structural barriers to equitable involvement (Berik & Kongar, 2021). If a gender- lens is used to investigate issues of social justice and poverty, economic recommendations would emphasize the paid and unpaid work that women do and how it contributes to the GDP and the value of goods and services produced by a country (Bosch, & Barit, 2020). The theory framing the accompanying debate focuses on inequalities, growth, gender, and capacities in general and the influence of gendered disparities on salaries, education, and economic growth.

The 2006 World Development Report (WDR 2006) examination by Elson (2006) demonstrates the distinction between conventional macroeconomics and feminist economics. It is possible to claim that equitable access is an



economic element that incorporates several other aspects, such as access to education, finances, work, health, energy, economic prospects, etc. The provision of equal chances (or access) for all asserts that once the opportunity is made available, everyone, regardless of color, age, gender, or location, will have access to it. Feminist economists such as Elson say that an emphasis on equality of outcomes, a society in which everyone has equal access to tools of production, would promote the equality that development seeks to attain. Policymakers might develop a differentiated strategy to foster conducive conditions by assuring that results are equivalent. Policymakers need to comprehend which elements would be most successful in achieving equality.

Heath & Jayachandra (2017) propose that equality of opportunities and outcomes should be considered based on research on the link between gender disparity and economic development. Their qualitative study suggests that the connection between the macro economy and gender relations relies on the structure of the economy, the form of occupational segregation, the specific measure of gender inequality, and the foreign relations of the country (Kabeer, 2016). Heath & Jayachandra (2017) note that an economist's understanding of modernization includes previous inequities that persist in contemporary economic arrangements, producing "inequality traps." Furthermore, according to Klasen (2018), the WDR 2006 pays less attention to women's unpaid work restraints on their labour market participation and labour market inequality (wages). The macroeconomy offers the structural circumstances within which equality is pursued, according to feminist economists' assessments of the link between inequality, development, and growth (Klasen, 2018).

### **Gender inequality and economic development**

Klasen (2018:1) asserts that "inequalities based on gender, race, ethnicity, and class weaken the capacity to provide and enhance skills" and calls for "macroeconomic policies that are likely to support widely shared growth." This subject is addressed by Amartya Sen's capabilities approach, which refers to the agency, or lack thereof, of people to live their best lives. Klasen (2018) defines development as the "expansion of capabilities," which requires that people are provided with the tools and frameworks needed to improve themselves and their lives. Feminist economists argue that the premise that men and women live things and structural contexts differently is the basis of their explanations of inequality and group differences. This view permits policymakers to consider the additional costs of equality, include them in implementation plans, and address "distributional conflict and opposition from groups who profit from the status quo distribution" (Klasen, 2018).

To explain the connection between economic development and gender inequality, scientists have used Kuznets' model, often known as the Gender Kuznets' Curve (Kocourek & Nedomeleova, 2018). Kuznets observed 1955 that "as countries advanced, wealth inequality increased, peaked, and then decreased." In their political economy analysis of the Kuznets Curve, Acemoglu and Robinson (2002) found that when inequality is initially low, there will be growth without social unrest; a second observation is that whenever democratic society is "unmobilized, even broadening inequality may not be sufficient to force political reform." This indicates that a society with entrenched inequality would be unable to attain equality unless public policies undergo significant changes to rectify past injustices.

Research covering seven industrialized nations utilizes the Gender Kuznets' Curve to demonstrate that economic progress has a nonlinear influence on the number of women employed in the economy and that "economic development does not ensure gender equality" (Lowndes, 2020). In this situation, the connection is characterized by the possible negative influence of growth on inequality. These findings demonstrate that the connection between gender equality and economic development is neither inevitable nor foreseeable (Lowndes, 2020). Policies targeting gender equality must be continually evaluated and modified to ensure that women continue to receive positive advantages and that negative repercussions are avoided and addressed.

Mackay & Murtagh, (2019) research identifies gender inequality as a driver of economic development when the gendered structure of the economy influences economic policy results. Mackay & Murtagh (2019) employs a

growth accounting technique to compute the output of capital stock, skilled-adjusted female and male labor supply (human capital), and technical development. She concludes that gender inequity promotes economic expansion. Mackay & Murtagh (2019) believes that export-led economies have flourished due to preexisting gender discrepancies between men and women workers; export-led sectors employ women's cheaper labor to drive profit strategies; and women's cheaper labor draws more FDI to nations with gendered pay gaps.

Mackay & Murtagh (2019) believes that gender inequality has a positive correlation with economic development; the greater the disparity, the better the growth results. She claims that gender disparity contributed to development in export-driven countries where women did most labor between 1975 and 1995. Due to this pay discrepancy, investment grew due to greater returns. Morsy & Youssef (2017) conclude that the positive relationship between gender equality and economic development is strong, persisting across various nations, periods, and model settings.

Seguino (2021) identifies an imbalance between conventional economic analysis and feminist analysis, which may be due to the two views' distinct approaches. She believes that neoclassical economics assesses growth using basic measures of gender equality, such as "education, employment, and occasionally salaries," but feminist economics models gender equality using a "vast array of equality indicators, such as well-being, rights, and political engagement" (Seguino, 2021). According to Pelinescu (2015), there is a 'bidirectional relationship between economic progress and female equality, defined as boosting women's access to the components of development - namely health, schooling, earning possibilities, rights, and political participation'.

Studies on women's participation in economic growth have remained outside conventional economic research. However, an increasing number of studies are being undertaken on the situation of women in the workforce and their educational attainment (Silver & Klasen, 2021). Tejani (2019) used dynamic panel regressions and new time series data to demonstrate that gender inequality is inversely related to economic development. They discover that the economy's structure affects the capacity to resolve gender-based economic disparities. Wannachai (2019) verified Pelinescu's (2015) conclusion that wage disparity contributed to growth in a subset of semi-industrialized nations.

### **Women employment and economic growth**

Traditional economics omitted 'women's labour' from early GDP estimates. In reality, 'little consideration was paid to gender disparities within the variables, and the restricted availability of gender-disaggregated data reflected this' (Abney & Laya, 2018). Although women's care work removed them from the official paid market, women's unpaid labor was not counted in the GDP. There are instances when women spend 71 percent more time gathering water than males (OECD, 2021).

Ngepah, Saba, & Mabindisa (2021) argue that gender disparity will directly influence growth since "gender concerns" affect the development of institutional, physical, human, and technical assets. According to Jayachandran (2015), gender imbalance in employment also results in disparities in human capital development, which has a detrimental effect on economic growth. In addition, the paucity of women in formal economic leadership roles hinders the growth of enterprises and economies, preventing them from reaching their full potential (Jayachandran, 2015). Jayachandran (2015) note that gender imbalance in employment and education leads to paying inequalities, which might result in particular structural preferences for economies, such as low-paid labor (women) leading to a service- or export-oriented economy (call centers) (sweatshops).

Cloud and Garrett (1997:156) utilized GNP per capita as "the independent variable in addressing the pattern of women's engagement in the economy" to ascertain whether "the economic participation of men and women differ systematically by level of GNP per capita." Women's business output is lower than male ones due to care employment is excluded from economic science, resulting in 'female rates of economic activity being much lower

than male players and GDP per capita accounted for less than 16 percent of the difference in female rates (Cloud and Garret, 1997:152).

Female involvement rates tend to increase when an economy is structured on family-based agricultural production. As the economy grows and urbanization increases, women often remain home while men work. As women's labor market opportunities expand at higher income per capita levels, female labor force participation rises again. Labour force participation patterns also reflect disparities in culture and ideology (IMF, 2017). In 2006, 67 percent of women in SSA participated in the formal sector, higher than in other developing areas (Stats SA, 2019). According to World Bank (2019) Indicators, female labor force participation in SSA was 66% in 2014, compared to 76% for males. Particularly when a nation has transitioned from an agricultural foundation to an industrialized one, the structural structure of the economy maintains gender inequality.

### **The effect of gender equality in labour force participation on economic development**

There has been a lot of debate over whether economic growth positively affects gender equality, but theory and evidence show that it does. Economic growth may be influenced favorably by gender equality in numerous ways, both direct and indirect (Erikson, 2019). First and foremost, the talent pool employers may choose is artificially reduced due to the exodus of highly qualified women from the labor market due to gender discrimination in access to employment and managerial posts. Due to a decrease in labor force productivity, economic growth is hampered (Erikson, 2019).

Second, how women behave at home is strongly influenced by their employment. According to Heath & Jayachandra (2017), women's improved negotiating power at home and higher investment in their children's health and education are two important outcomes of women's employment and earnings. Economic growth is expected to result from this growth in the human capital of the following generation. Economic growth may be boosted by increasing the number of women in the workforce, which lowers fertility rates (Heath & Jayachandra, 2014). (2017). The higher family income resulting from female LFP stimulates more significant savings, which, in turn, increases the capital stock per worker and improves productivity, according to Heath and Jayachandra (2017).

The third issue is that when men and women are engaged in separate or independent productive activities, the gender gap may lead to distortions, with "female activities" being under-resourced and under-capitalized. In contrast, the opposite is true for "masculine activities." These losses are caused by male activities' declining marginal returns and/or women being barred from certain more productive occupations. This distortion affects production. In addition, this gender disparity may hinder the maintenance and improvement of present assets, such as land, and investments in new technology, obstructing economic advancement (Jakab, 2020).

## **6. Research questions and methods**

The study's primary research question is, "What impact does gender inequality in employment have on economic development in South Africa?", the study explores the points of association between gender equality in employment and economic growth to answer this question. It examines the effects of gender employment equity on economic growth rates in South Africa.

The selected research methodology is quantitative and uses a statistical technique to answer the study issues. Quantitative methods refer to research techniques that involve numerical data to measure and analyze social phenomena. Babbie (2016) states that quantitative research is "a systematic empirical investigation of social phenomena via statistical, mathematical, or computational techniques". Quantitative methods focus on objective, verifiable data that can be analyzed using statistical methods to identify patterns and relationships. These methods are often used in social science research to study a wide range of topics, such as public opinion, consumer behavior, and health outcomes.



The research topic necessitated a statistical technique incompatible with the qualitative approach. The research applies an econometric model to demonstrate the existence and direction of a link between the variables. This quantitative investigation adhered to a positivist research paradigm. Babbie (2016) explains the positivist research paradigm as a philosophical approach to research that emphasizes using empirical observation, measurement, and experimentation to study social phenomena. According to this paradigm, social reality exists independently of individual perceptions or interpretations and can be understood by applying scientific methods. Positivists believe that social science research aims to identify general laws and patterns that describe the behavior of social phenomena. According to positivism, empirical inquiry may be conducted from a non-interactive and detached stance (Morris, 2016). A researcher in this capacity can assume the role of an impartial analyst, conducting unbiased data analyses. The outcomes of positivist research are thus reliable, valid, and representative. According to Saunders et al. (2021), positivists are mainly concerned with giving research results instead of subjective perceptions and summarizing them. This study is positivist since it attempts to analyze and extract specific theory-based claims from broad descriptions of actuality. The quantitative data was collected through surveys distributed to a sample of employees in Nyandeni Local Municipality.

## 7. Results and discussion

### Categories of respondents by educational background

Participants were asked to indicate their qualifications, with 1 indicating 'No Matric,' 2 indicating 'Matric,' 3 indicating 'Diploma,' 4 indicating 'Degree,' 5 indicating 'Honours,' 6 indicating 'Masters' and 7 Indicating 'PhD' qualifications. Regarding educational qualification, 2 of the participants indicated that they have no matric certificate, 20 of the participants have a matric certificate, 19 have a diploma, 47 indicated degree, 12 indicated an honours degree. Most of the participants hold degree. The results are as indicated in Figure 1 below.

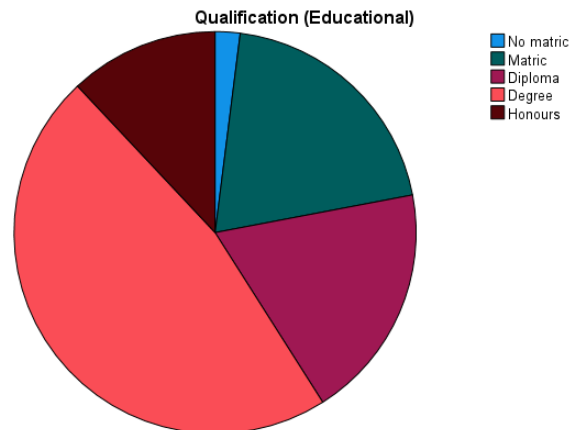
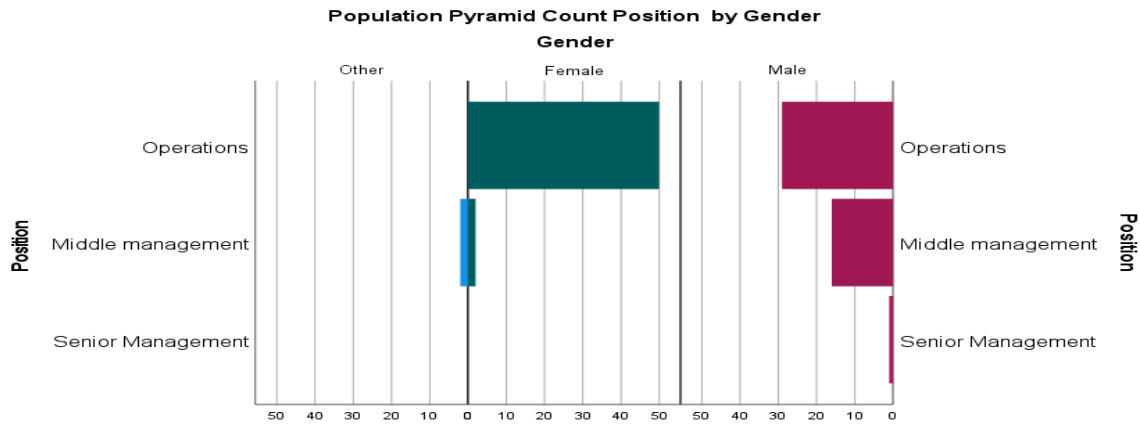


Fig. 1. Educational Qualification

### Categories of respondents by occupational Rank

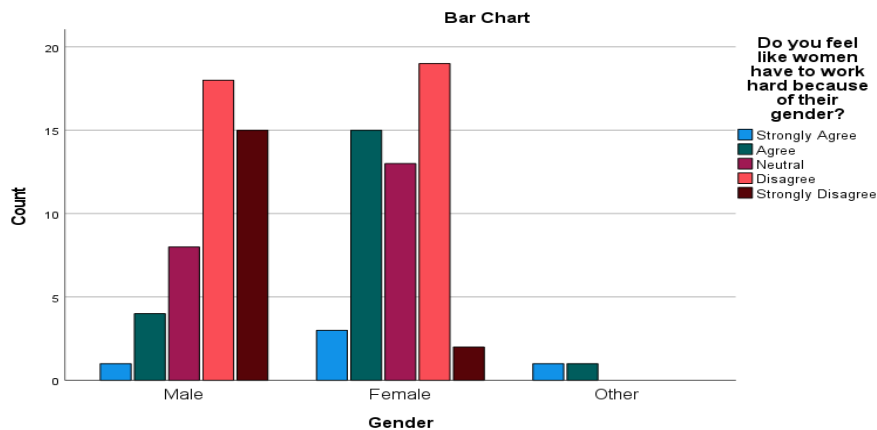
Participants were asked to identify their roles in the Nyandeni Local Municipality. According to the research, the positions considered were 'Senior Management,' 'Middle Management,' and 'Operational level.' The information obtained from the questionnaires, duly completed and returned, is depicted in Figure 2 below. It was evident in this study, as shown in Figure 2 below that most women hold operational positions regardless of their educational qualifications. At the same time, men have middle management at the same educational level. It was also evident in this study that those who indicated that they occupy Senior Management positions and hold Degree qualifications were men.



**Fig. 2. Position**

### Respondents' response on whether females are expected to prove themselves in the workplace

Participants were asked whether they agreed with the statement that 'women have to work hard to prove themselves because of their gender'. Their response is depicted in Figure 3 below. It shows how gender privilege differs, as men are always privileged.



**Fig. 3. Women are hard-working because of their gender.**

### Participants' response of salary differences

Participants were also asked to give their opinions on salary differences according to gender. The majority disagreed that men are paid more than women as they stated that salary difference is not due to gender inequalities but due to positions, which by that it was apparent to the researcher that men get paid more than women at their organization as men occupy the more paying positions.

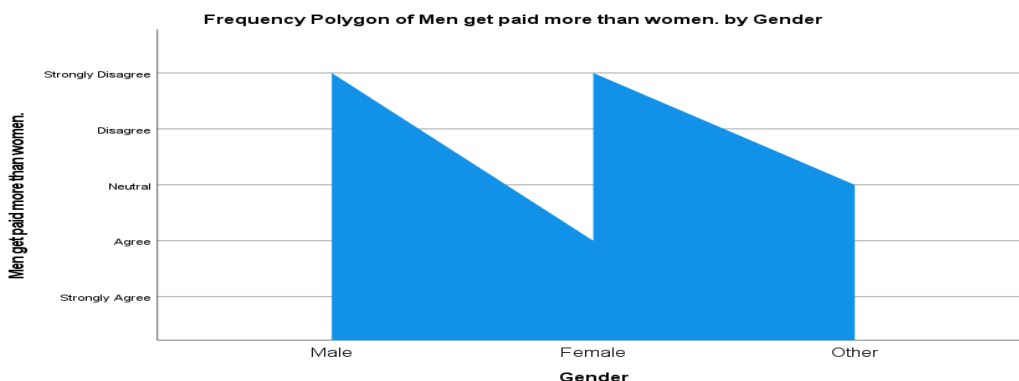


Fig. 4. Men being paid more than women

### Opportunities for job development

Participants' views on whether men are given more opportunities for development than women. Participants' response to the statement 'men are given more opportunities for job development than women' is shown in Figure 5 below. Few agreed with the statement, and the majority disagreed.

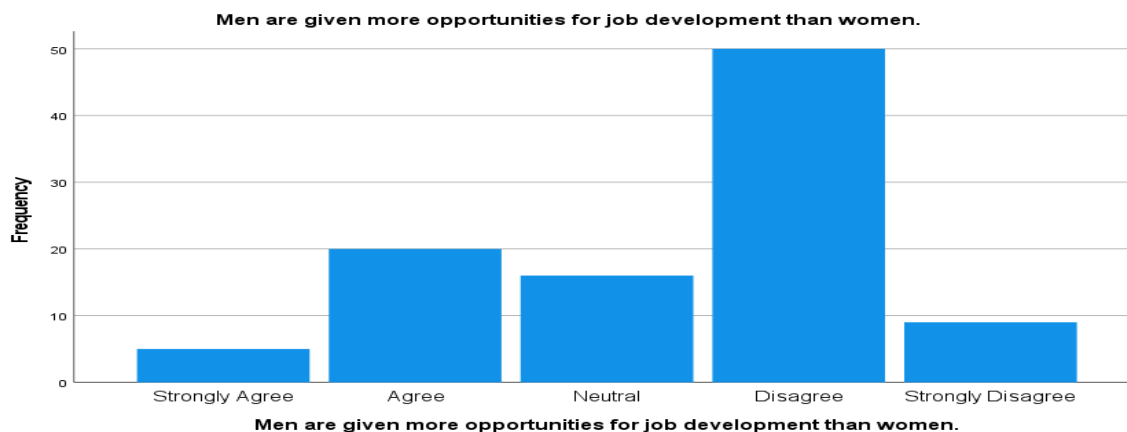
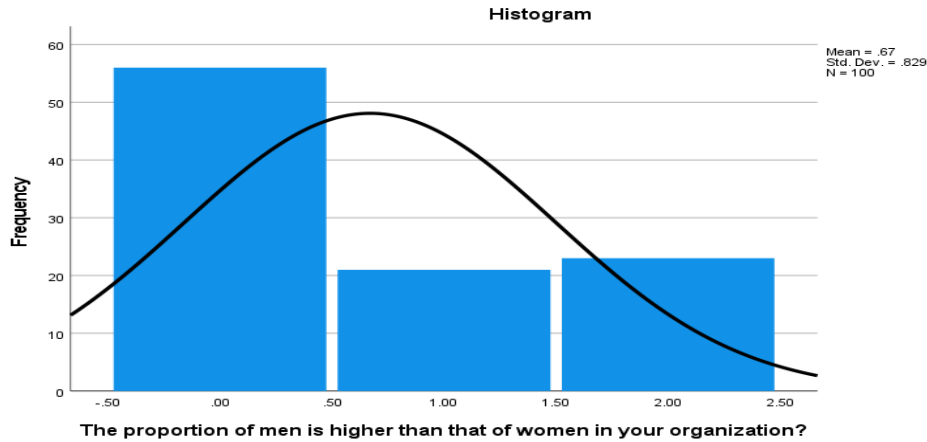


Fig. 5. Opportunities for job development

### Proportion of men and women in Nyandeni Local Municipality

Participants were also asked for their opinions on the proportion of men and women in the organization. Below are the results of the responses from all the participants who participated in the study. They dismissed the statement, saying the proportion of men is not higher than that of women, although men hold higher positions

than women. It was evident from the responses that respondents chose that regarding the number of officials, women are the majority in the organization, yet they occupy operational positions. Figure 6 shows the results.



**Fig. 6.** Proportion of men and women

To provide a theoretical foundation for the research and fully appreciate the influence of gender disparity in employment on economic growth in the South African context, a literature review was conducted for this study. As the literature review has underlined the issues of gender equality, globally, work possibilities for women are minimal, and South Africa is no exception. The study found that gender inequality in employment significantly negatively impacts economic development in South Africa. The points of association between gender equality in employment and economic growth include increased productivity, higher levels of education, and greater access to capital. Gender employment equity policies, such as affirmative action and gender mainstreaming, have been shown to have a positive impact on economic growth rates in South Africa. In Nyandeni local municipality, gender inequality in employment was particularly acute, with women facing significant barriers to employment and entrepreneurship. This inequality was found to directly impact the municipality's economic development, with a high unemployment rate, low levels of productivity, and limited access to capital.

The outcomes of this study are consistent with the literature and suitable for the theoretical framework. Gender differences have a negative influence on economic progress, as illustrated by Abney & Laya (2018). The study used a Multiple Linear Regression coefficient to test the hypothesis. Transformational Leadership Theory is crucial for leader development, as it is more competitive in a global society and suitable for changing organizations. Transformational leaders are strategic and proficient in policy implementation. However, Nyandeni Local Municipality still needs to address this aspect of strategic leadership. The Economic Development Strategic Plan in Nyandeni local municipality is crucial for developing visionary leaders who can catalyze organizational transformation. These leaders should articulate, develop, and share the organization's vision while envisioning the future. The plan aims to create innovators who can catalyze organizational transformation, fostering a more inclusive and forward-thinking environment. The findings further revealed that women's contributions to economic growth had received little attention in economic research. However, this is changing as more scholars focus on women's labor-force participation and educational achievement. Abney and Laya (2018) show that gender gaps negatively influence economic development using dynamic panel regressions and new time series data. The economic structure has been discovered to influence the potential to alleviate gender-based economic disparity. To explain the connection between economic development and gender inequality, scientists have used Kuznets' model, often known as the Gender Kuznets' Curve.

It has been concluded that traditional economics omitted 'women's labour' from early GDP estimates. In reality, 'little consideration was paid to gender disparities within the variables, and the restricted availability of gender-disaggregated data reflected this. Female labour force participation grows when job market options for women develop at higher income per capita levels. Patterns of labour force participation also reflect cultural and ideological differences, yet those who contribute towards economic growth still face challenges of inequality.

Modernization Neoclassical thought in the early stages of a country's development claimed that gender equality in LFP would improve at all phases. It is not uncommon for female LFP to be significant in low-income agricultural economies, where family and market production are closely linked. But when the economy evolves away from agriculture and toward manufacturing and service industries, this level of engagement begins to fall. Changing economic structures, more educational attainment among women, and lower childbearing rates all combine to boost female labor force participation beyond a particular point in time (Masters, 2019)

Recently, an S-shaped relationship between LFP growth and gender equality was proposed by Eastin and Prakash (2013). They argue that economic growth has a positive effect on gender inclusivity at low-income levels because of social and political improvements that encourage an increase in female LFP, but that as income grows, there is a plateau or even a negative effect because of discriminatory companies that are looking to reinforce male dominance. They make this argument. Changes in attitudes and institutions that promote gender equality in the workplace favourably influence high output levels.

Historically, many families in the rural areas of the municipality were supported by men who worked as migratory labor in nearby mines. Subsequent layoffs in the mines have left these villages with little resources for survival. Approximately 77% of families have a maximum of R800 (roughly \$108) monthly income. The majority of Nyandeni's educational institutions serve students in lower grades. The OR Tambo District office reports that 64 percent of the 426 schools in the Nyandeni region are overcrowded or much overloaded.

## **8. Conclusion**

Gender inequality in employment remains a significant challenge in South Africa and negatively impacts economic development. The case study of Nyandeni local municipality highlights the need for gender employment equity policies, training and education programs, and women's business networks to promote gender equality in employment and economic development. By working together, government, business, and civil society can address this issue and create a more inclusive and prosperous society.

South Africa has policies that promote gender equality at hand. The Women Empowerment and Gender Equality Bill (WEGE) is an example. This Bill sought to promote gender equality in South Africa. The Bill, approved in 2013, allowed for the execution of steps to enhance equality, such as establishing programmes to guarantee women have 50% representation in decision-making institutions. This paper's primary objective was to discover the impact of gender inequality in employment on economic development in Nyandeni local municipality in South Africa. The study's central premise is that gender parity in employment in a nation will lead to better economic development. The more a nation's economy grows, if it implements policies that raise the number of women eligible for the labor market. This implies that the greater the number of employed women who can contribute to the economy, the greater the economic expansion.

As we have already established, the problem with such policies is not the introduction but the implementation of the policy in the institutions. It is even hard to practice the policies if the implementation and monitoring is lacking. This is still a problem in big institutions and establishments; how much more for a small institution in a place that still believes in a culture that says, 'women are caregivers, homekeepers, and men are breadwinners.'



We have a long way to go with proper implementation, evaluation, and monitoring of existing policies. These policies need to be evaluated to see if they still serve the purpose; if not, they need to be adjusted and reshaped to serve and align with this era's beliefs as the world evolves.

## Recommendations

To address the issue of gender inequality in employment and promote economic development in Nyandeni local municipality and South Africa as a whole, the study recommends the following:

**Implementing** gender employment equity policies, such as affirmative action and gender mainstreaming, to increase the participation of women in the workforce and promote gender equality in employment.

**Providing** training and education programs to equip women with the skills and knowledge they need to succeed in the workforce and as entrepreneurs.

**Establishing** women's business networks and support programs to provide women with access to capital and other resources needed to start and grow businesses.

**Promoting** greater collaboration between government, business, and civil society to address the root causes of gender inequality in employment and promote economic development.

**Improved Monitoring and Evaluation System:** There must be constant examination and modification of policy to ensure that the positive benefits for women are preserved. At the same time, the destructive features are mitigated and resolved. In doing so, it does not necessarily mean that the policy should oppress others. It should be beneficial to all but be in favor of women as they continue to suffer socially, politically, and economically.

**Strengthening Implementation systems:** The municipality can implement a system-strengthening strategy using various tools and methods, providing a realistic, systematic framework for economic system development and overall evaluation.

**Communication and feedback:** Economic development programmes must rely on communication and feedback to be successful. Managers should devote less time to "management" and more time to "mentoring." The mentoring approach reduces employee control by fostering more empowerment by allowing decision-making to become a process with larger formal and informal input.

**Provide funding:** Low economic growth may emerge from an economic system based on uneven accessibility to services such as education and employment. The municipality should provide funds to help in job development for the municipality where women can benefit, especially young women.

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