Msindisi Lizani

University of Fort Hare

Funding: ABSIP-STANLIB bursary

More about Msindisi

Favourite subjects: Economics, Econometrics, Mathematics and Statistics.

Interests: Farming, lifting weights, reading books and managing stock portfolios.

Community activity: Helping raise awareness of drug use among teenagers and promoting recycling in my township.

Inspired by: My father, Jackson Lizani.

Main achievements: Future Leaders contestant; chair of house committee at Living World.

What I love/hate about South Africa: I love our institutional policies; I dislike the high inequality, high unemployment and high corruption levels.

In 10 years' time I see myself... as an economist and financial analyst, and a member of the monetary policy committee in the SARB.

ESSAY SYNOPSIS

Msindisi analyses the role of tariffs in promoting employment and protecting industries in developing economies, focusing particularly on South Africa.

The theoretical support for tariffs comes largely from the "infant industry" argument, which maintains that young sectors in developing economies need temporary protection to reach maturity. In South Africa, this argument underpins the use of tariffs to redirect demand towards local products and support industrial expansion. However, tariffs also raise the prices of imported goods, disproportionately affecting low-income households and worsening inequality; they can trigger retaliation from trading partners, restricting access to export markets essential for developing economies; and prolonged protection may reduce incentives for domestic industries to innovate, entrench inefficiencies and encourage rent-seeking.

Experiences in Bangladesh and Kenya illustrate both the potential and limits of tariff strategies. Bangladesh protects its garment industry by applying low tariffs on imported inputs and higher tariffs on finished apparel, which has made the sector the country's largest employer and export earner, but over-reliance on this single sector presents structural risks. Kenya uses tariffs to promote industrial diversification in textiles, steel, processed foods and agro-processing, which has supported job creation but also raised consumer prices and fostered inefficiencies in some protected industries.

Msindisi's analysis shows that tariffs can provide valuable support to emerging sectors and preserve vulnerable jobs, but they are not sufficient to drive broad-based or sustainable employment growth. Their success depends on strong complementary policies – skills development, infrastructure investment, SME support and innovation.