

ESSAY SYNOPSIS

In South Africa, unemployment reached 32.9% in early 2025. Lwando looks at the key question of whether trade protectionism, particularly higher import tariffs, can support domestic industries and generate sustainable jobs. Supporters argue that levelling the playing field will protect and grow local jobs, while critics caution that higher tariffs will raise consumer prices, disproportionately affecting low-income households.

The theoretical case for protectionism rests largely on the “infant industry” argument: young industries in developing economies may require temporary protection so they can grow and eventually compete globally. However, prolonged or poorly targeted protection can entrench inefficiencies and reinforce political interests rather than competitiveness.

Experiences in other developing economies illustrate the potential and the risks of protective policies. Brazil's reintroduction of tariffs in its automotive sector, intended to boost domestic production and employment, instead contributed to factory closures and a sharp decline in jobs. In contrast, China maintained relatively low tariffs but used industrial subsidies to support employment, creating mass job opportunities, but also generating excess capacity, ultimately leading to job losses in industries such as steel and coal.

Overall, the evidence indicates that while tariffs can support short-term job preservation in vulnerable sectors, these are not sufficient to drive sustained employment growth. Selective protection should be combined with broader industrial reforms, such as skills development, SME support, improved infrastructure and incentives for technological upgrading. Tariffs should be regularly reviewed to avoid overprotection, while trade policy should also promote export competitiveness.



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More about Lwando

Favourite subjects: International Trade and Theory and Policy, Macroeconomics, Money Banking and Finance.

Interests: Politics, international affairs, literature and sport.

Community activity: Academic officer for a student representative task force, assisting grade 12 learners with university applications, and tutoring.

Inspired by: My high school economics teacher.

Main achievements: Completing my undergraduate studies with merit and in record time.

What I love/hate about South Africa: I love the diversity and inclusivity in our nation; I hate the economic struggles faced by the majority of citizens.

In 10 years' time I see myself... as an influential economist, having completed my NQF level 10 studies.