

ESSAY SYNOPSIS

South Africa's persistently high unemployment has revived debate about whether trade protectionism, especially higher import tariffs, can help create jobs. Supporters see tariffs as a way to shield vulnerable industries and stimulate domestic production, while critics warn of higher consumer prices, weaker competitiveness and the risk of retaliation.

Since the early 1990s, South Africa has reduced tariffs to comply with WTO commitments and promote competitiveness, yet the expected gains in exports and employment have not fully materialised. The country remains reliant on raw mineral exports, faces high trade costs and struggles with infrastructure bottlenecks. So is sweeping trade liberalisation appropriate for an economy with deep structural weaknesses, asks Oluchukwu.

Between 2013 and 2018, average import tariffs rose modestly, from about 4.15% to 4.61%, before easing to 4.32%. Over roughly the same years, national employment increased by about 1.3 million jobs, while advertised job vacancies grew by nearly 48% before falling back in 2017/18. However, evidence shows that many new jobs created under protectionist regimes tend to be low quality, with vulnerable working conditions and low earnings. Tariffs also disproportionately affect low-income consumers by increasing prices.

While tariffs may offer short-term support to vulnerable industries, their long-term effectiveness depends on complementary reforms that address skills shortages, infrastructural weaknesses and institutional constraints. For these reasons, Oluchukwu recommends a 'smart protectionism' approach: temporary, targeted and data-driven tariffs paired with structural reforms such as skills development, research and innovation investment, and infrastructure improvements.



Oluchukwu Ugwuanyi



University of the Witwatersrand



Funding: Bursary

More about Oluchukwu

Favourite subjects: Econometrics, International Finance and Trade, Foreign Policy Analysis and Modern Languages.

Interests: Architecture, agroforestry, languages, gardening and food science.

Community activity: Feeding underserved communities at Little Falls Christian Centre; led students in cultivating the gardens under Climate Justice Charter Movement.

Inspired by: My parents, friends, my neighbour; I'm inspired by different individuals every day.

Main achievements: Golden Key Honour Society member; Rethinking Economics for Africa (REFA) committee; Portuguese embassy distinction award.

What I love/hate about South Africa: South Africa has the best sunsets, skies and spring seasons.

In 10 years' time I see myself... as a global citizen with a promising career in trade negotiation.