ENTRY #144 - Undergraduate Category*

1. Introduction

The return of trade protectionism to the centre of global economic policy has reignited a critical debate for developing countries. The use of tariffs as a tool to protect domestic industries, most visibly during the United States administration under Donald Trump, has prompted renewed calls in South Africa for similar protection of sectors such as poultry, steel and clothing. This debate coincides with the 2026 National Budget Speech, in which Finance Minister Enoch Godongwana must strike a delicate balance between growing the economy and supporting vulnerable households amid limited fiscal resources and an unemployment rate exceeding 32% (Stats SA, QLFS 2025).

Trade protectionism refers to government policies that restrict international trade, including tariffs, quotas and subsidies, to shield local producers from foreign competition. Proponents argue that such measures preserve jobs by redirecting demand towards domestic firms and nurturing infant industries. This essay critically evaluates this claim.

While protectionism may offer short-term relief for vulnerable jobs, this essay argues that tariffs alone do not create sustainable employment in South Africa. Instead, they risk raising consumer prices, inviting trade retaliation that threatens exports under AGOA and the African Continental Free Trade Area (AfCFTA), and reducing incentives for innovation. Sustainable job creation requires that any time-bound protection be coupled with targeted budget allocations towards skills development, logistics and energy infrastructure, and support for small and medium enterprises to enhance competitiveness and ensure inclusive growth.