

Protectionist Policies have been readily adopted all over the world there are advantages and disadvantages both domestically and internationally

Recent Years Australia has moved away from Protectionist Policy

Advantages of Protectionist Policy

It allows Australia to protect its industry particularly as they are starting out. They can be protected by using subsidies (cash incentives) and by protecting them from international ~~competitions~~ companies. This will allow the companies to develop and become more efficient

It allows Australia to keep vital skills ~~that~~ by eg defence. If we rely on other countries ~~to~~ skills then we may be faced with difficulty in times of war because those skills would have been lost to ~~overseas~~ other countries

~~It~~ It allows greater environmental protection. In order for developing countries to be competitive they may resort to degradation of natural resources or exploitation of slave labour. So more protection the less the situation is likely to occur

Disadvantages of Protectionist Policy

Doesn't Allow the Principle of Comparative ~~Advantage~~
advantages if one ~~to~~ Resources cannot be allocated efficiently
If they are going to many different products it is better
countries who have a comparative advantage ~~in~~ in
one particular field eg (Australia - Minerals) to trade with
countries who have a comparative advantage in another
eg (Japan - Electronics).

Disadvantages the consumer if ~~the~~ a country doesn't allow
foreign companies into their markets then there will be
less efficiency and inferior products may result

Domestic advantages of Protectionist Policy
~~It~~ Protects labour and stop unemployment going
to overseas firms when they can be employed with the
local protected industry