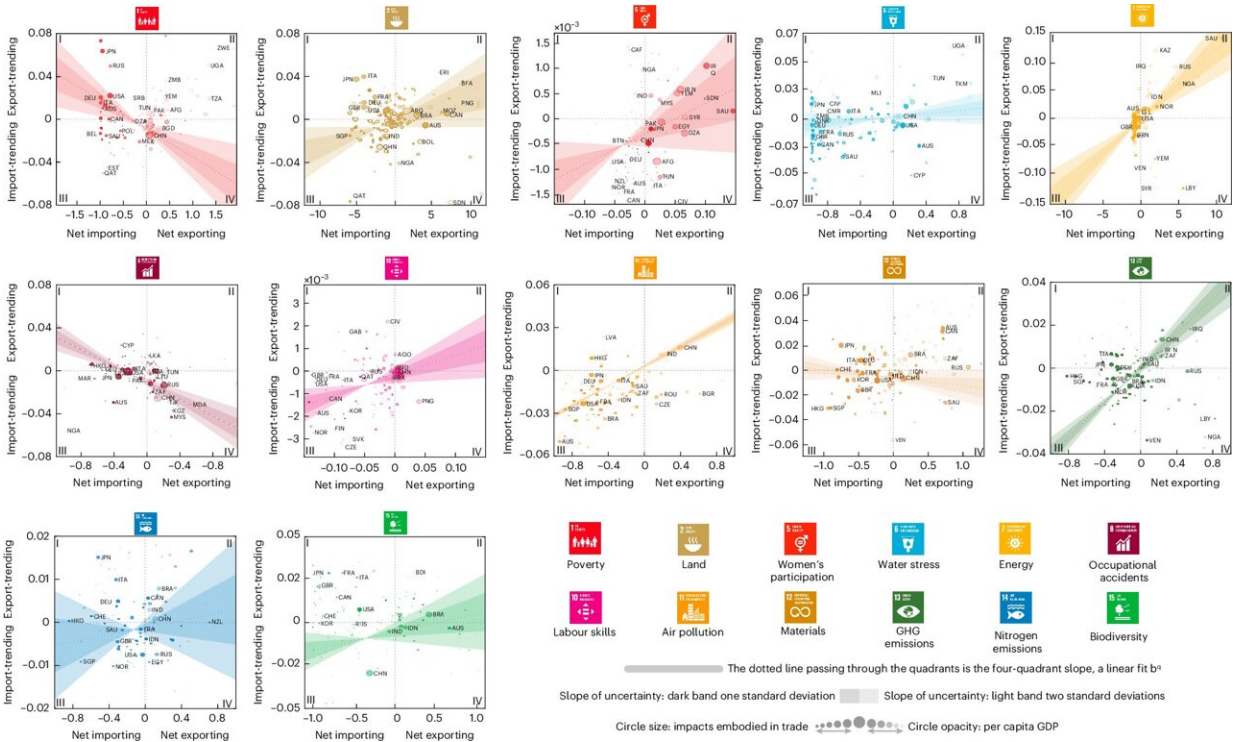


Study reveals how the Global North drives inequality in international trade

August 9 2024, by Katie Spenceley



Trend analysis of outsourcing for environmental and social proxies linked to SDGs in a four-quadrant perspective, 1990–2018. Credit: *Nature Sustainability* (2024). DOI: 10.1038/s41893-024-01397-5

Sydney research reveals that trends in international trade are exacerbating inequalities between the Global North and the Global South, undermining efforts to reach the United Nations Sustainable

Development Goals.

A multi-decade study led by researchers from the University of Sydney has unveiled concerning trends in international trade that are exacerbating inequalities between the Global North rich countries and Global South developing countries.

The research identifies both positive and negative trends driven by international trade but does highlight the role that high-income countries play in driving polarizing trends, undermining progress towards reaching the United Nations Sustainable Development Goals.

The study is [published](#) today in *Nature Sustainability*.

As the world approaches the 2030 Agenda for Sustainable Development, the research underlines the urgent need for countries to recognize their influence beyond national borders.

The research lead for the study is Associate Professor Arunima Malik from the Center for Integrated Sustainability Analysis in the Faculty of Science, and Discipline of Accounting, Governance and Regulation in the Business School.

She said, "Sustainable Development Goals are nationally focused and therefore tend not to take international effects into account. This misses the fact that in today's globalized world, consumption in one region can significantly affect the well-being of people in countries far away."

The study takes a global approach to supply chains and is the first to assess the trends over an extended period of the global environmental and [social impacts](#) from international trade.

The findings reveal that high-income countries often outsource

environmentally and socially detrimental production to low-income nations, resulting in the shifting of burdens that disproportionately affects developing regions.

Co-author Professor Manfred Lenzen, Professor of Sustainability Research at the Center for Integrated Sustainability Analysis, said, "Our findings indicate the Global North's outsourcing practices are contributing to a widening divide between countries that benefit from trade and those that bear the brunt of its adverse effects."

This dynamic not only perpetuates economic disparities, but also exacerbates social and [environmental challenges](#) in the Global South.

"It isn't all negative. International trade can also have positive impacts," said co-author, Dr. Mengyu Li, a Horizon Fellow also at the Center for Integrated Analysis in the Faculty of Science. "While trade can promote [economic growth](#) and reduce poverty, it can also lead to increasing pollution, waste, resource depletion and [social inequalities](#), especially in the Global South."

The research, which spans three decades from 1990 to 2018, employs a systematic quantitative assessment of 12 selected Sustainable Development Goals. The authors say that the lack of defined consumption-based indicators aligned with the SDG framework has hindered a comprehensive understanding of these trends.

As an alternative, the authors propose the use of consumption-based proxies to analyze global supply chain dynamics, trends and their implications for progress towards the UN SDGs.

The study identified the biggest polarizing effects in SDG13 (Climate Action), SDG11 (Sustainable Cities and Communities) and SDG2 (Zero Hunger). The biggest equalizing effects were identified for SDG8

(Decent Work and Economic Growth) and SDG1 (No Poverty).

The research raises concerns that the polarizing trends are promoting ecological and social races to the bottom, resource conflicts and producing varying and competing legal frameworks governing health standards.

"Achieving the UN Sustainable Development Goals requires progress across all nations. Therefore, assessing spillover effects through [global supply chains](#) is essential to ensure that [international trade](#) fosters global progress and supports policy coherence," said co-author Dr. Jorge Gómez-Paredes, Director of United Nations Sustainable Development Solutions Network, Andes Region.

The authors call for a re-evaluation of trade agreements to account for international spillover effects and to strengthen global frameworks aimed at reversing the polarizing trends.

"To have a chance at achieving the 2030 Agenda, we must acknowledge the interconnectedness of our economies and the responsibilities that come with that," Dr. Malik said. "By addressing the polarizing effects of trade, we can work towards a more equitable and sustainable future for people in all countries."

More information: Arunima Malik et al, Polarizing and equalizing trends in international trade and Sustainable Development Goals, *Nature Sustainability* (2024). [DOI: 10.1038/s41893-024-01397-5](https://doi.org/10.1038/s41893-024-01397-5)

Provided by University of Sydney

Citation: Study reveals how the Global North drives inequality in international trade (2024,

August 9) retrieved 9 August 2024 from <https://phys.org/news/2024-08-reveals-global-north-inequality-international.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.