

Design Challenge Reflection

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Topic: Goal 10: Reduce inequality among countries

The United Nations set the 10th sustainable development goal as reduced inequality. In this reflection, I will focus on the challenge of solving economic inequality among countries.

From my point of view, the root cause of the inequality of economic development among countries is that the first-move countries take advantage of their unfair advantages to occupy the upper reaches of the global value chain and exploit, blockade the later-move countries by financial technological means. The Unfair competition from the first-move nations can be traced back to colonialism. According to Angeles (2006), colonialism is still a major factor that contributes to today's income inequality among countries. The colonial countries completed the original accumulation of capital by plundering and dumping colonies and occupied the upper reaches of industrial chain, thus leading the industrial and technological upgrading. After that, they can make unfair competition against later developing countries through the establishment of technical and trade barriers. When it comes to globalization, the international corporations (mostly from developed countries) has created an unequal international labor division that divided the world into “ ‘headquarter’ economies located in Japan and the West and ‘factory’ economies located in Southeast Asia, Eastern Europe, and Latin America” (Aguar de Medeiros and Trebat, 2017, p.408).

According to United Nations, the objectives of reducing inequality among countries

are ensure equal opportunity and reduced inequalities of outcome, ensure enhanced representation and voice for developing countries in international affair, improve the regulation and monitoring of global financial markets and institutions. However, the challenge is also facing many constraints that increase the resistance to solving the challenge. The main constraint is that countries have different innate and acquired advantages which make the pursuit of equal outcome unfair. We can only pursue relative equality under equal opportunity since absolute equality is impossible and unfair. Besides, welfare could make people lazy, the excessive subsidies and support for developing countries may make them uncompetitive in international competition. Lastly, in today's world, there is no political power beyond the nations, that can solve this challenge. The policies and actions of the United Nations can be influenced or interrupted by mighty powers.

Most resources available to develop a solution to solve the challenge are from the UN and WTO. The United Nations has Department of Economic and Social Affairs which analyzes data gathered by other departments to suggestions or solutions for countries and establishes intergovernmental support and cooperation by facilitating major global conferences. The United Nations also has a special office to help the least developed countries. As for WTO, they offer developing countries special and differential treatment. Besides these two, there are also some resources like official development assistance (ODA) that provide government aid to promote the economic development and welfare of developing countries.

In this reflection, I did research on the current solution from WTO for reducing inequality among countries. According to WTO, the developing countries, in particular least

developed countries, can receive special and differential treatment. WTO states that the special provision for developing countries includes: longer time periods for implementing agreements and commitments, measures to increase trading opportunities for developing countries, provisions requiring all WTO members to safeguard the trade interests of developing countries, support to help developing countries build the capacity to carry out WTO work, handle disputes, and implement technical standards, and provisions related to least-developed country (LDC) Members. With the help of WTO's provision, developing countries would have less competitive pressure, protectionist policies would be allowed to support industries, and preferential tariffs could be negotiated. The developing countries can "graduate" from this protecting system once they have achieved a sustainable increase. Although WTO did not define the standard of distinguishing developed and developing countries, other members can challenge the decision of a member to make use of provisions available to developing countries. According to Baschuk (2019), Several countries including Brazil, Singapore and South Korea have agreed to stop considering them as developing countries in negotiation. However, China, India and many other members refused to do the same.

Although many organizations are committed to helping reducing inequality among countries, there are still many obstacles that prevent the challenge from success. Firstly, the developed countries are not willing to see their technological barrier broken. For example, The United States is using administrative power to crack down on Huawei to maintain its blockade of China's industrial upgrading. Secondly, international capital only wants to maximize its profit. The profit of their investment may not turn back to benefit local

economies. Thirdly, even if the late-move countries have enough capital and technology, it will be difficult for them to compete with the first movers who have established economies of scale (such as China). They can only passively wait for the industrial transfer brought by the industrial upgrading of the first movers. Fourthly, the increasing popularity of anti-globalization and trade protectionism makes international economic cooperation more and more difficult. Finally, the UN's lack of practical political influence leaves much of international cooperation and policy to remain conceptual.

In conclusion, centuries of national inequality cannot be solved over one day. To solve the problem of national inequality, we need to strengthen the role of the United Nations, strengthen multinational cooperation under the framework of the United Nations, and jointly promote the building of a community with a shared future for mankind.

References

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