

SOCIAL EQUITY AND ITS RELEVANCE TO TRADE ISSUES

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ABSTRACT

In today's continuous changing global environment, the existence of uneven distribution of natural resources, technical change adaptation rate, investment in research and development, demand for both political and economic power and many others make it impossible to eliminate the issues of inequity that prevail in the economy of countries across the world. The manifestation of these inequity are perceived from a number of factors ranging from widen income gaps, unequal access to health and education resources, and tensions between racial and social groups. Therefore, this current study approaches the relevance of social equity in trade issues by segmenting it into three sections where section one centers on defining the concept of social equity and trade issues, section two; connection between social equity and trade issues; section three, conclusion and recommendations.

Keywords: Social equity, Sweatshops, Child labour, Trade deficit, and Trade issues

INTRODUCTION

The quest for the concept of social equity will continue to linger as long as human being exist. This is because, human needs are insatiable and once a need is satisfied, it is no longer a need. So far there is natural unequal distribution of resource from the nature. Ability to satisfy these needs would not be limited to the following factors; rate of technological adoption, adaption to external environment, level of investment in research and development, etc. Though, the discussion on the concept of social equity has long been documented as far back as Aristotle and Plato existed. They both argued on the importance of equity as a type of justice among humans that may “go beyond the written law” and can evolve as a practice (Rutledge, 2002). Aside it being a rule Rousseau(1992) argued that unequal distribution and economic needs would always create natural inequities and differences that would become more permanent in their effects. It is on the basis of these basic ideals of justice and equality upon which the United States originated. It was equally on this note that early colonists who were frustrated by political and social injustices pronounced the Declaration of Independence that “all men are created equal” (Johnson & Svara, 2011).

LITERATURE REVIEW

Social Equity

The concept of Social Equity sounds relative, but can mean different things to different people. To some people, it may be viewed in so many contexts ranging from policy, finance, education and health to mention but few. One may equally want to equate it to mean treating people equally. But the answer is not. This suggests that a slight difference between “equity” and “equality” occurs (MaSaherry, 2013).

According to Guy and McCandless (2012), the term “equity” and “equality” are often used interchangeably, and to a large extent their meanings are nearly the same. Aside from being not the same when pronounced, “equality” can be converted into a mathematical measure in which equal parts are identical in size or number, while “equity” is a more flexible measure allowing for equivalency while not demanding sameness.

Among some of the problems usually being encountered when trying to define the concept of social equity is that it reflects the ideas of “fairness” and “justness” which have a normative component in the sense that they are based on moral values or considerations. In essence, what one person considers as being fair may not be the same with that of another. People working in different disciplines may also have different conceptions of the term. In search for this truth,

not only the philosophers such as John Rawls who explored how an equitable society may be brought about through notions of distributive justice, but legal theorists have equally looked at equitable decision-making in terms of procedural fairness.

In the field of Public Administration, authors such as Johnson and Svava (2011) defined social equity as the active commitment to fairness, justice, and equality in the formulation of public policy, distribution of public services, implementation of public policy, and management of all institutions serving the public directly or by contract.

In the medical field, Braveman and Guskin (2003) described equity as the absence of systematic disparities in health (or in the major social determinants of health) between social groups who have different levels of underlying social advantage/disadvantage.

In the field of education, Gonski (2011) described equity in schooling as ensuring that differences in educational outcomes are not the result of differences in wealth, income, power or possessions. Equity in this sense does not mean that all students are the same or will achieve the same outcomes. Rather, it means that all students must have access to an acceptable international standard of education, regardless of where they live or the school they attend and differences in their performance should not be attributed to whether they are from a well to do background or not.

Upon a closer examination of the above definitions of social equity like any other concept, one would observe that the concept lacks a decisive definition. However, it does provide a starting point for researchers from different disciplines to examine what they perceive as unjust or unfair social practices and to come up with options to redress them. In this context, social equity is coined out to mean a fair and equitable treatment of two or more countries on the reasons for their existence in order to guarantee their peaceful co-existence.

Trade Issues

Trade issues in some other sources like Foundation for Teaching Economics (FTE) and American Institute for Economic Research(AIER) (2018) are referred to as issues in international trade where two or more countries are involved. Some of these issues in international trade identified by FTE and AIER includes the global market, sweatshops, child labor, trade deficits, the euro, sanctions, tariffs, embargoes, and the EU, NAFTA, WTO and many others. For the purpose of this study, a reasonable number of the aforementioned issues were briefly discussed in relation to social equity.

Sweatshops

Collins English Dictionary (2012) defines Sweatshop as a workshop where employees work long hours under bad conditions for low wages. However, upon closer examination, this definition barely acknowledges the true misery, injustice and inequality that exists in these places of employment. Though, Global Exchange (2011) and Human Rights Watch (2016) viewed sweatshop as a place where employees work long hours including forced overtime. More so, employee works in overcrowded and overcrowded conditions, for extremely low rates of pay.

Complementing the injustice level of this trade sector ₦600 is paid to a textile factory worker working from 8:00am to 4:00pm in Nigeria (Premium Times, 2021). Not only that, employees are equally not left with workplace injuries. The work place itself is often hazardous to the health of workers, with poor ventilation, fire hazards and lack of workplace safety. In “Face Out”(2016), the **injustices faced by sweatshop employees are identified to include (i) little or no dignity for workers as well as lack of fair workplace rights and conditions, (ii) inexistence toilet and meal breaks,(iii) unconcerned workers sickness, no maternity leave for pregnancy workers as well as threat of dismissal for whosoever want to voice out (iv) endemic abuse of all forms including verbal, physical and sexual; and (v) low wages.**

Child labour

United Nations International Children’s Emergency Fund (UNICEF) (2021) had affirmed that nearly 1 in every 10 children are subjected to child labour worldly, with some being forced into hazardous work through trafficking. It equally observed that roughly 160 million children were subjected to child labour at the beginning of 2020, with 9 million additional children at risk due to the impact of COVID-19. Almost half of them are in hazardous work that directly endangers their health and moral development.

Basically, children may be driven into work for various reasons. The majority of them is family when facing financial challenges or uncertainty in terms whether, poverty, sudden illness of a caregiver, or job loss of a primary wage earner and others (UNICEF, 2021)

However, consequences resulting from these are overwhelming. It can result in extreme bodily and mental harm, and even death, can lead to slavery and sexual or economic exploitation, in nearly every case, it cuts children off from schooling and health care, restricting their fundamental rights and threatening their futures.

It is worthy of note that whatever might be the cause, child labour compounds social inequality and discrimination, and robs girls and boys of their childhood. Unlike activities that help children develop, such as contributing to light housework or taking on a job during school holidays, child labour limits access to education and harms a child's physical, mental and social growth. Especially for girls, the "triple burden" of school, work and household chores heightens their risk of falling behind, making them even more vulnerable to poverty and exclusion.

Trade Deficit

Haye (2021) described trade deficit as situation where when the value of a country's imports exceeds the value of its export goods, or physical products, and services. In simple terms, it means a country is buying more goods and services than it is selling. A too simplistic understanding means that this would generally hurt job creation and economic growth in the deficit-running country.

Though, in economics, a trade deficit is about an imbalance between a country's savings and investment rates. It means a country is spending more money on imports than it makes on exports, and under the rules of economic accounting it must make up for that shortfall. A U.S for instance can do so by either borrowing money from foreign lenders or permitting foreign investment in U.S. assets.

Conversely, for a smaller country with a trade deficit, this greater degree of foreign direct investment and foreign ownership of government debt can be risky. Among some of its negative effects includes reduction in local production, weakening of domestic currency, create unemployment, negative balanced of trade and reduce GDP, generate deflation etc (Haye, 2021). However, deficit of trade balance can be identified as a problem for every country facing it, especially when it lasts for several or more years. Many authors (Cooper 2007; Papadimitriou et al. 2008; Gabberty & Vambery 2014; Awan & Mukhtar, 2019) regard the long-term trade deficit as one of the main factors slowing down economic growth.

Tariffs

Authors such as Pepelasi et al (n.d.) have described tariff, otherwise known as **customs duty**, to mean a tax levied upon goods that cross national boundaries, usually by the government of the importing country. Drawing from their views, *tariff*, *duty*, and *customs* can be used interchangeably. In the words of Pepelasi et al, the basic objective of tariffs is either to raise revenue or to protect domestic industries, but a tariff designed primarily to raise revenue also may exercise a strong protective influence, while a tariff levied primarily for protection may yield revenue. More clearly "Inc." (n.d), described tariffs as political tool that have been

used throughout history to control the amount of imports that flow into a country and to determine which nations will be granted the most favorable trading conditions. Relying on this source, high tariffs create protectionism as it shields a domestic industry's products against foreign competition. Not only that, it equally reduces the importation of a given product because the high tariff leads to a high price for the customers of that product.

Furthermore, Inc.(n.d) categorized tariffs imposed by governments on imported goods into two. First is the *ad valorem* tax which is a percentage of the value of the item, while the second is a *specific tariff* which is a tax levied based on a set fee per number of items or by weight. Globally, the trend on tariffs has started decreasing since 1990s as treaties such as the General Agreement on Tariffs and Trade (GATT), North American Free Trade Agreement (NAFTA), as well as the lowering of trade barriers in the European Economic Community, reducing or even abolishing tariffs are passed. These changes reflect the conviction among some politicians and economists that lower tariffs spur growth and reduce prices generally (Inc., n.d).

Opponents of tariffs argue that tariffs hurt both (or all) countries involved, those that impose the tariff and those whose products are the target of the tariffs. For the country whose products are the target of tariffs, costs of production and sale prices rise and for most this leads to fewer exports and fewer sales. A decline in business leads to fewer jobs and spreads the slowdown in economic activity.

Embargo

In the words of Liberto (2021), an embargo is described as a government order that restricts commerce with a specified country or the exchange of specific goods. This is usually created as a result of unfavorable political or economic circumstances between nations. It is designed to isolate a country and create difficulties for its governing body, forcing it to act on the issue that led to the embargo.

For instance, the decisions on trade embargoes and other economic sanctions made by the United States are often based on mandates by the United Nations (UN), an international organization formed in 1945 to increase political and economic cooperation. Allied countries frequently band together, making joint agreements to restrict trade with specific nations. This is often done to force humanitarian changes or reduce perceived threats to international peace (Liberto, 2021).

Some of the countries in which US has imposed embargoes on includes Cuba, North Korea, and Iran. While in the 1980s, it imposes embargo on South Africa in opposition to apartheid.

However, American embargoes and economic sanctions against these countries prohibit trade in certain types of goods, such as arms or luxury goods, while allowing other forms of trade. In contrast, comprehensive embargoes are more punitive because they prohibit all trade with the country.

Trade Sanctions

Trade sanctions are laws passed to restrict or abolish trade with certain countries. Trade sanctions are a subcategory of economic sanctions, which are commercial and financial penalties imposed by one or more countries, and targeted against a country, organization, group, or individual (Kenton, 2021). Trade sanctions act as a sort of stick and carrot in foreign and economic policy in international politics and trade. Governments impose sanctions with the express purpose of changing the behavior and policy of another government or state. However, the impact of sanctions can be felt more powerfully by innocent, impoverished citizens, and not government officials or the business leaders and other elites driving and enacting the country's policy. The United Nations uses economic and military sanctions, including embargoes and other sanctions, in addition to military interventions against regimes of the UN Security Council. The most common types of trade sanctions are quotas, tariffs, non-tariff barriers (NTBs), asset freezes or seizures, and embargoes (Kenton, 2021).

Conclusion

It would be worthwhile to conclude based on the above reviewed issues in trade that most of the matters arising are deliberate and are either for economic or political reasons. It is equally worthy of noting that the less privilege in target countries are the ones usually being victim of the circumstance.

Recommendations

The government of various countries in their own capacity should ensure to implement minimum wage so as to improve the standard of living of the sweatshops workers, make policy that will compulsion the use of protective equipment for workers in order to guarantee their safety while working.

On child labour, UNICEF(2021) has been working to prevent and respond to child labour, especially by strengthening the social service workforce who (i) works to recognize, prevent and manage risks that can lead to child labour, (ii) focuses on strengthening parenting and community education initiatives to address harmful social norms that perpetuate child labour, while partnering with national and local governments to prevent violence, exploitation and

abuse, and (iii) equally makes sure that children removed from labour must also be safely returned to school or training.

The study equally recommends that government of various countries affected by the trade deficits should tackle its effect by encouraging people to patronize the locally produced goods, encourage local investment like entrepreneurship, improve the value of domestic currency, and create employment opportunities.

It is recommended that the government of various nation such promote the use of non-tariff barriers so as to bolster their own economies and protect domestic interests. Such non-tariff barriers may include subsidies for domestic goods, import quotas or regulations on import quality.

As for embargo, the government of the countries concerned should always seek to act and make policy that will ensure that they cooperate with international government like United Nation so avoid embargo being laid on any of their economic activities going outside of their countries.

Since the international government laid trade sanctions to shape the behaviour and policy of another government or state, it is therefore advisable for any countries not to act against the international government so as to avoid trade sanctions. This is because, the impact of sanctions can be felt more powerfully by innocent, impoverished citizens, and not government officials or the business leaders and other elites driving and enacting the country's policy.

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