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Social-ecological perspectives on international trade

Trade is one of the central topics in economics. Nevertheless, it is one of the most contested topics and the understanding as well as evaluation of international trade by the different economic schools differs tremendously. Each economic school has a distinct understanding and conceptualization of international trade and its underlying structures and processes. Depending on these, historical developments, implications for local economies and the environment as well as global power structures are explained very differently. Neoclassical accounts on international trade remain dominant economic thinking, however, heterodox schools such as ecological economics, economic geography or evolutionary economics provide valuable contrasting perspectives. Theories on international trade gained importance especially since globalization and the availability of cheap energy (oil) for transport has accelerated cross-border flows of processed and unprocessed goods and services in the past decades. Increasingly, these flows connect geographically distant regions, creating complex global value chains with far reaching social, economic, and ecological implications. Our understanding of the underlying mechanisms and implications has severe consequences on the actions taken, especially in the context of growing concerns over global sustainability challenges such as climate change, pollution, or human rights.

Neoclassical theory emphasizes the positive effects of free trade, claiming it is mutually beneficial for all participating entities (Sheppard, 2012). However, analysis coming from this line of argumentation often fail to recognize, that international trade is neither equally beneficial in economic, social, and ecological terms for all participating entities nor free of historically evolved power structures. Moreover, ecological and social aspects are, if addressed at all, considered as externalities, not relevant for the understanding of trade dynamics. However, in today's globalized world, the production of most goods is based on complex global production networks, where each step may potentially cause severe damage to the environment, or violates labor and human rights (European Parliament 2021). The impacts of production on labor and the environment often have to be carried by the producing countries, predominantly the Global South, while profits are accumulated in the Global North. This causes economic, social, and ecological tensions and inequalities within and between political economic regions, often studied under the term unequal exchange (e.g. see Dorninger et al. 2021; Muradin and Martinez-Alier 2001; Ricci 2019). This system is carried and shaped by global power structures and its historical evolution. Therefore, especially considerations of how the hegemonial power of the Global North evolved and how these structures prevail up to today are important for analyzing trade patterns today.

This short line of argumentation already includes several aspects from different economic schools (e.g. political economy, ecological economics, Marxist economics, economic geography). The aim of this research article is to draw on the knowledge of these different perspectives and to synthesize the main foci of a range of economic schools regarding

international trade, specifically focused on its contribution concerning social and ecological implications of trade, while also identifying blind spots. The main goal is to strengthen the argumentation of the complex intertwining between social-, ecological-, and economic, as well as power-related interpretations of international trade, suggesting that for sustainable development a social-ecological understanding of international trade is crucial.

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