



# Case Study

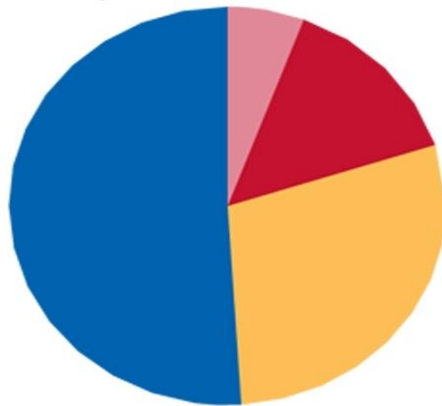
## Globalization and Food Security

# Inequality in Income

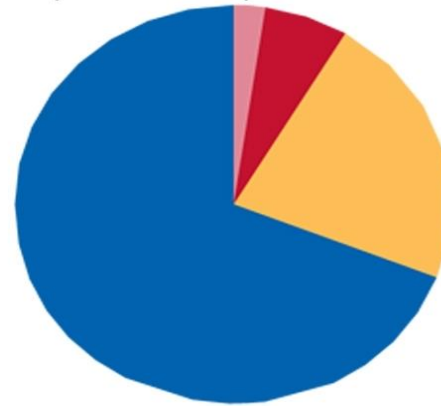
■ Advanced economies  
■ Other emerging and developing economies

■ China  
■ India

**GDP (PPP) Share in World  
GDP, 2011<sup>1</sup>**

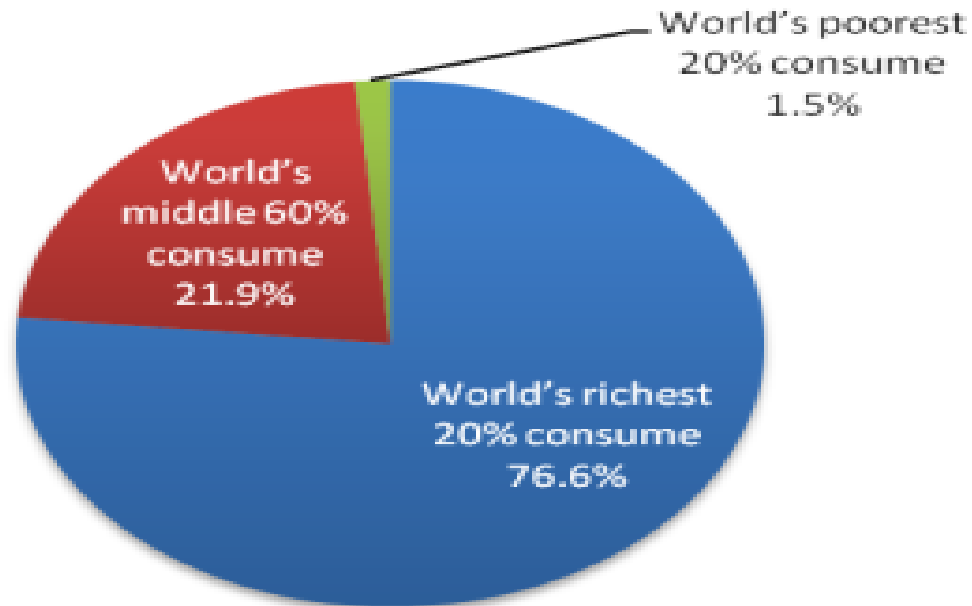


**Consumption Share, 2011  
(in U.S. dollars)**



# Inequality in Consumption

## Share of world's private consumption, 2005

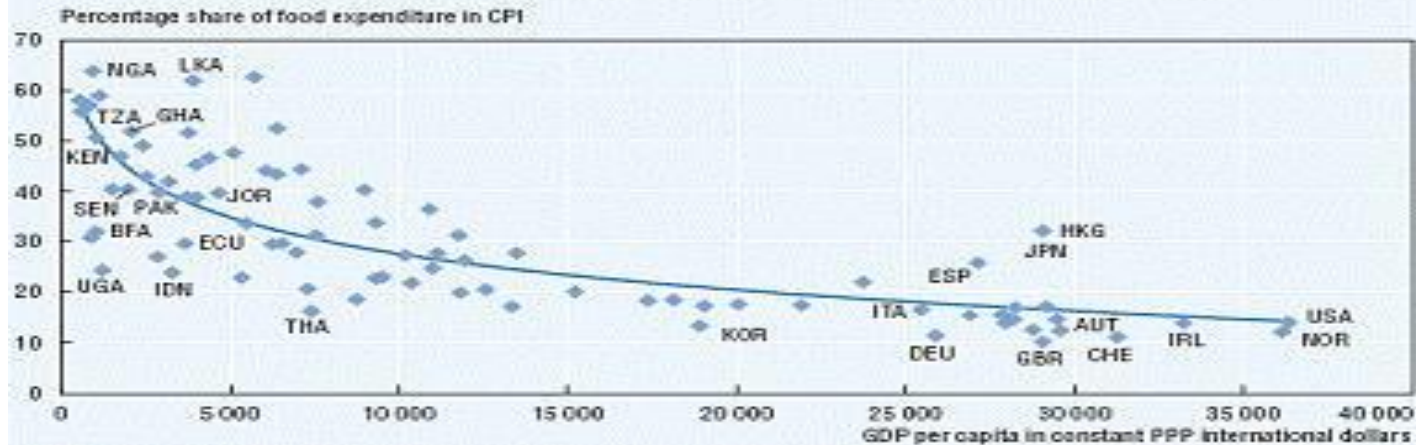


Source: World Bank Development Indicators 2008

# Share of Food Expenditure

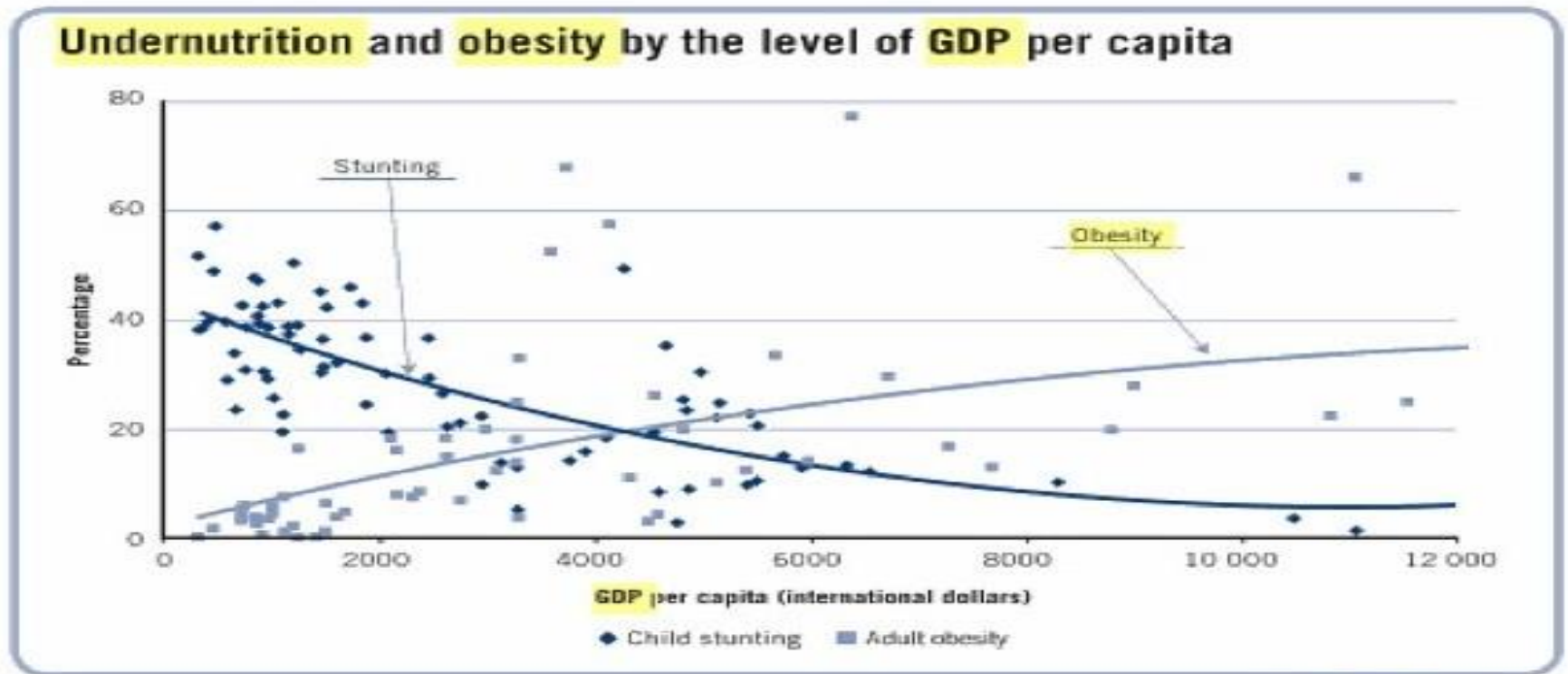
Box 2.1. Measuring the impact of rising commodity prices on food prices (cont.)

Figure 2.2. Food expenditure shares and per capita income



# The Nutrition Transition

## 8. Nutrition transition: high levels of child undernutrition and adult obesity co-exist

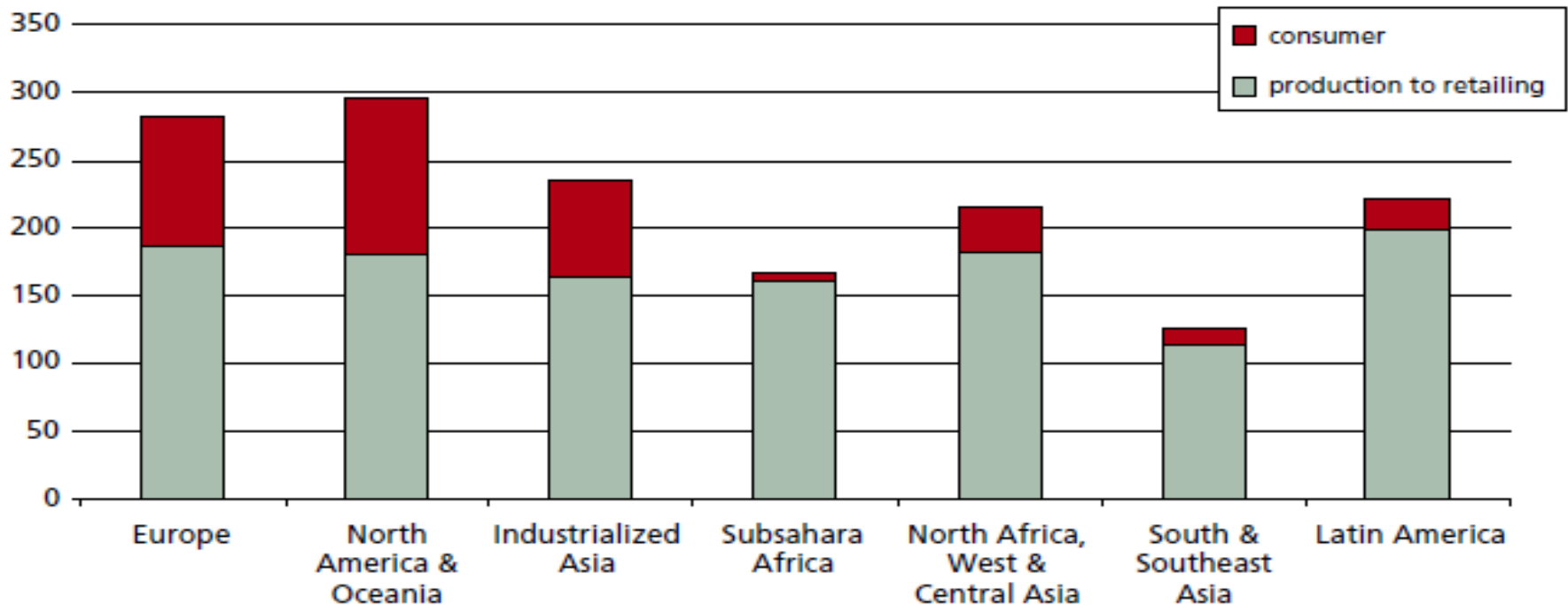


(Source: WHO, 2006<sup>13,17</sup>)

# Addressing Global Challenges

Food Losses take place at production, postharvest and processing stages in the food supply chain and at the end of the food chain (retail and final consumption behavior) (Parfitt *et al.*, 2010).

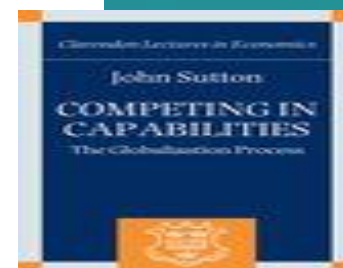
Per capita food losses and waste (kg/year)



# A Theory on Globalisation and Innovation Processes

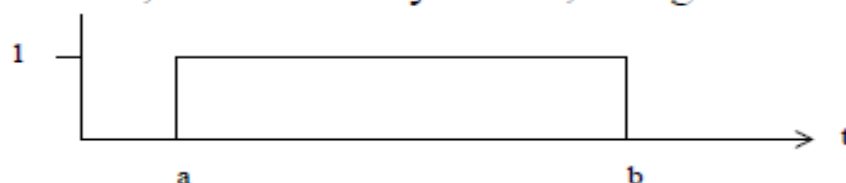
## Vertical Product Differentiation

- Sutton, J. and Shaked, A. 1983 "Natural Oligopolies," *Econometrica*, 1983, vol 51, pp. 1469-1483.



Assume

1. A number of firms offer distinct substitute goods which vary in quality
2. Consumer buy 1 unit or zero
3. Zero costs
4. label goods  $k = 1, \dots, n$ , firm  $k$  sells product  $k$  at  $p_k$
5. Continuum of consumers of different incomes uniformly distributed, with a density of one, along a line segment  $a$  to  $b$ .

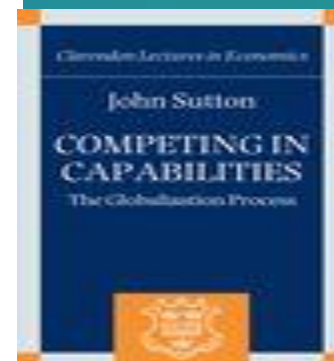
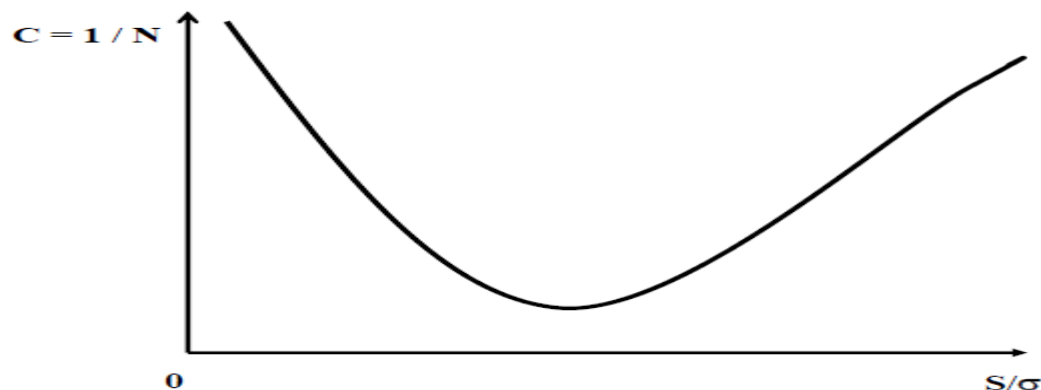


6. Utility  $0 < u_0 < u_1 < \dots < u_n$

$$U(t, k) = u_k(t - p_k)$$

$$U(t, 0) = u_0 t$$



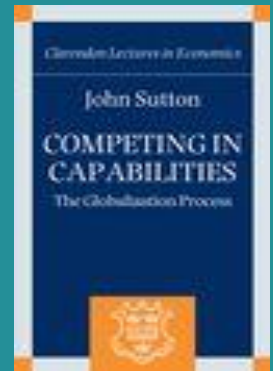
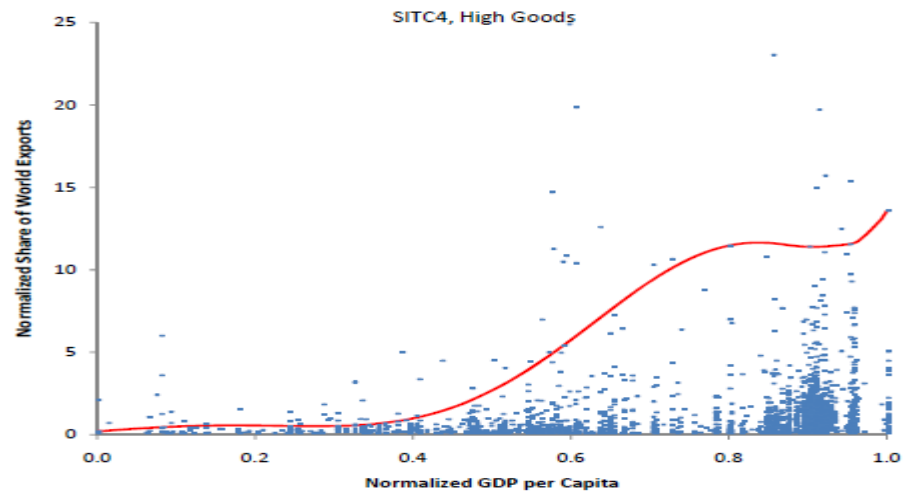


There exists a bound independent of product qualities and consumer density to the number of firms which can survive with positive prices at a NE in prices.

Number of firms depends on lower bound to income,  $a$ .

- a. Can have lots of firms,  $a \rightarrow 0$  and  $b \rightarrow \infty$ , but 2-3 firms will dominate.
- b. A firm that sets price equal to zero will NOT win all the market.
- c. Pattern of Market shares will be independent of the density of consumers (Market Size).

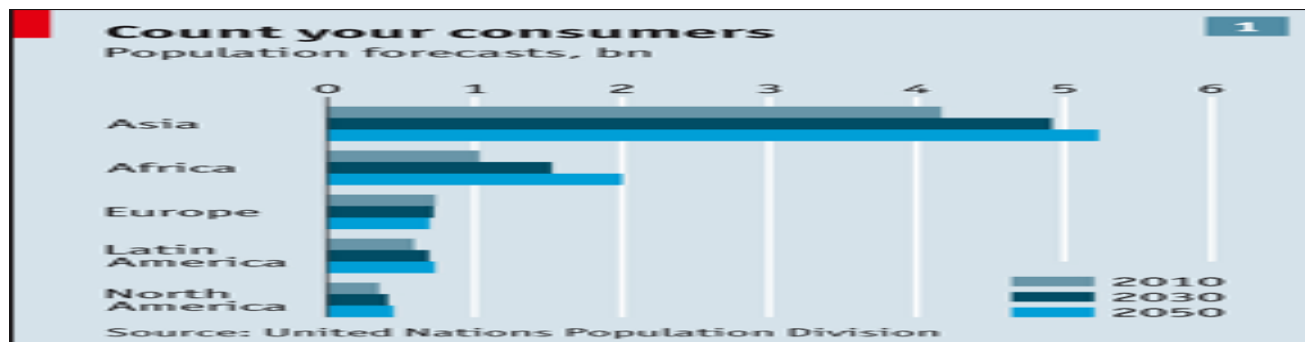
Figure 10: Normalized Market Shares



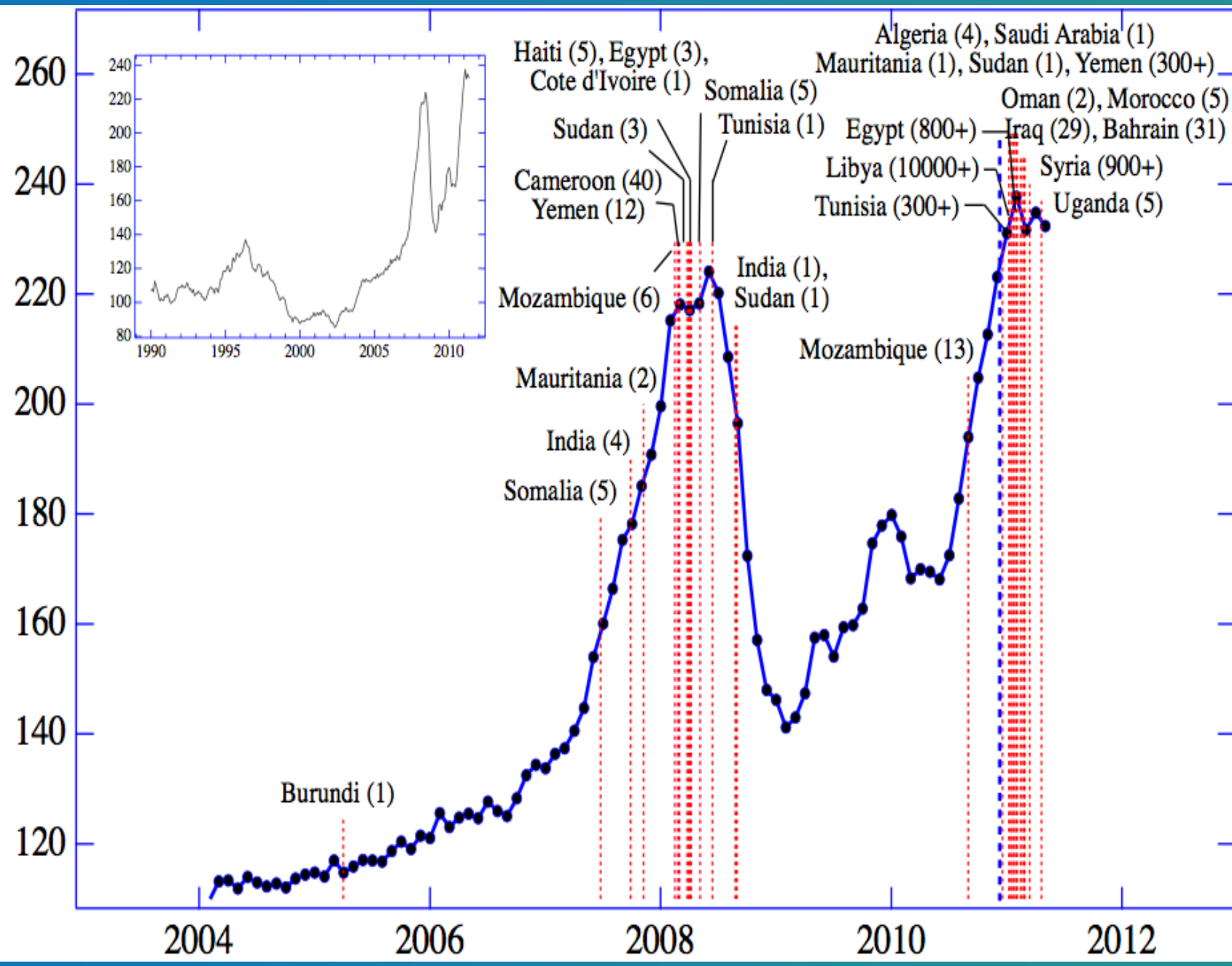
## Investment in Quality

Africa accounts for only 1% of global drug sales; and because the people of Africa and the developing world do not purchase large amounts of medications the diseases that devastate the continent are disregarded to focus on more lucrative illnesses that affect Europe and North America (Combe, Pfister and Zuniga, 2003)

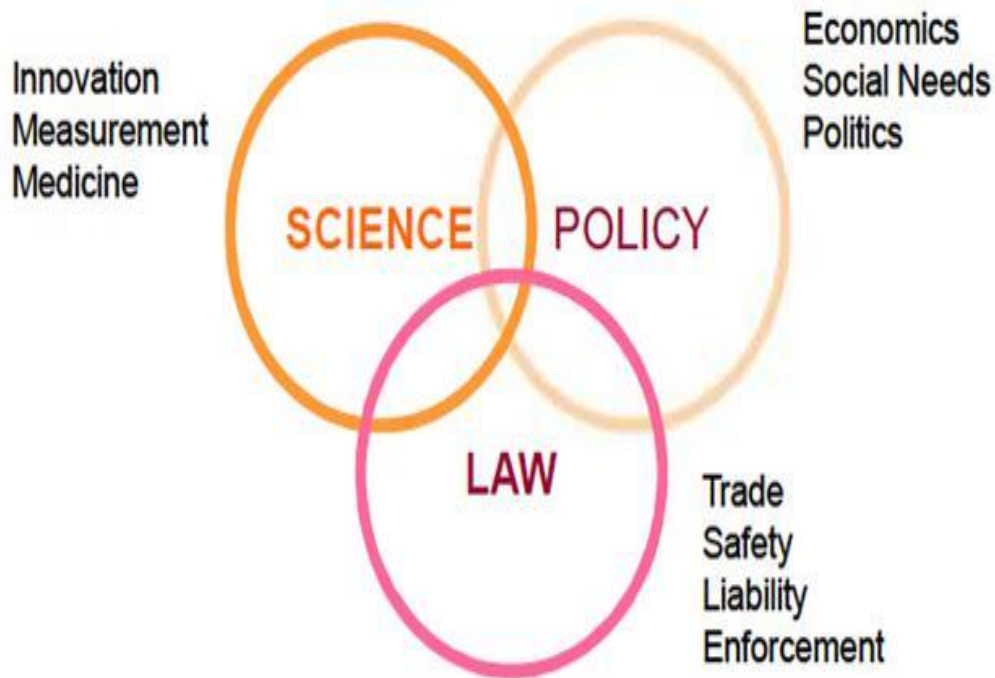
Due to these inequalities a so-called '90/10' gap exists, in which only 10% of global health research is devoted towards conditions that make up 90% of the global disease burden (BMBF-Federal Ministry of Education and Research of Germany). 2011)



Food Price Index



# Meeting Export Food Safety Standards, the impact on waste, on waste levels, local livelihoods and the environment.



# EXPORT CARTELS: IS IT LEGAL TO TARGET YOUR NEIGHBOUR? ANALYSIS IN LIGHT OF RECENT CASE LAW

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## ABSTRACT

Despite the growing sophistication of antitrust regimes around the world, export cartels benefit from special treatment: they are almost universally tolerated, if not encouraged in the countries of origin. Economists do not offer an unambiguous policy recommendation on how to deal with them in part due to the lack of empirical data. This article discusses arguments for and against export cartels and it identifies the existing gaps in the present regulatory framework. The theoretical part is followed by an analysis of the recent case law: a US cartel challenged with different outcomes in India and South Africa, as well as Chinese export cartels pursued in the USA. The Chinese cases are particularly topical as the conduct at stake, apart from being subject to private antitrust actions before US courts, was also challenged within the WTO dispute settlement framework, pointing out to the existing interface between trade and competition. While the recent developments prove that unaddressed issues tend not to vanish, the new South–North dimension has the potential of placing export cartels again on the international agenda. Pragmatic thinking suggests looking for the solution within the WTO framework.

“The persistence of widespread hunger is unacceptable in a world of prosperity and with appropriate goal investments, innovations and institutions, we can end chronic hunger in our lifetime because ending hunger is an achievable goal”.

Runge, C. F., Senauer, B., Pardey, P. G., & Rosegrant, M. W. (2003). *Ending Hunger in Our Lifetime food security and globalization*. Maryland: The Johns Hopkins University Press.

Stiglitz raises the point that development is “*not about helping a few people get rich or creating a handful of pointless industries that only benefit the country’s elite... (but instead) improving the lives of the poor, enabling everyone to have a chance at success and access to health care and education.*”

Stiglitz, J.E (2002); *Globalization and its Discontents*, Penguin Group