COMMITTEE GUIDE

UNCTAD

United Nations Conference on Trade and Development

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Contents

1. Presidents' Letter

Dear Delegates,

Welcome to the UNCTAD committee and to version XXI of CCBMUN. We are Simón Mejía and Andrés Montehermoso, both 10th grade students from Colegio Colombo Británico. We are proud to have the opportunity to serve as your presidents. We have participated in many UN models and we have decided to take on the challenge of chairing the UNCTAD committee.

We hope that in this committee you will be able to come up with solutions to the issues raised, think outside the box, and work together as a committee to be able to tackle such new and challenging topics. Our topics will be focused on trade and its effects on development. In a world as globalised as the one in which we live, the way of moving value has changed; international trade has evolved to new forms, such as digital currencies, where regulations are not present. These new ways of trade could bring advantages for developing countries with unstable currencies, but it is still an open question whether these advantages would really be present in a scene where fewer and fewer people have confidence in fiat and where central banks want to take control over transactions. In addition, international trade with a relatively open market has opened the way for a handful of companies to control specific sectors, which leaves small competitors behind. This leaves small companies with no room to play on the board, harming developing countries which have suffered this problem.

This is why we are eager for you to be able to come up with original ideas to tackle these issues in ways that are favourable, not only for your delegation's development, but having in mind the impact on your people. "The current course of action is hurting vulnerable people everywhere, especially in developing countries. We must change course" (Rebeca Grynspan, Secretary-General of the UN Conference on Trade and Development). As presidents, we look forward to you enjoying this experience while at the same time gaining a better understanding of current trade and development issues. We encourage you to participate and always share your ideas, as each delegation may have a different perspective, which could change the course of the topic debated.

If you have any queries about the topics to be discussed or about the model itself do not hesitate to contact us - you can do so through the email below.

Cordially,

Simón Mejía and Andrés Montehermoso (UNCTAD Chair)
unctad@ccbcali.edu.co

2. Topic 1: *The Transformation to cashless societies (CBDCs and digital currencies)*

I. History/Context

For at least 5000 years, currency has been present in human history. Before this humans used a system of bartering to conduct trade and exchange goods or services. This way of conducting trade was slow and quite complicated, as agreements needed to be made for every transaction that took place. Additionally, if someone was searching for a specific good or service they had to search for a person that provided it directly, offering whatever they had produced in exchange.

As societies evolved, it became apparent that this trade system was not so efficient, and so currencies were invented. One of the first currencies was cattle, used from around 9000 B.C to 6000 B.C. Other materials used as a form of currency were cowrie shells, salt, animal skins and even weapons.In around 700 B.C the first standardised coinage appeared in the Kingdom of Lydia. This was not the first coin that was used as a means of exchange, as metal coins could be traced on the way back to China, but it was for the first standardised coinage, opening the way to various other certified coinage appearing in the years to come.

It is important to note that metals were used way before coinage, and that they were used to trade by weight. However it was difficult to trade in this way, as exact weights needed to be achieved. Coins began to be used as currency for two main reasons. The first was that there was enough demand for coins to make them highly salable. The second reason was that they could not be easily produced, making it difficult to increase supply over time (which would cause them to lose value easily). Around a century after the first standardised coinage emerged, historians report that animal hide began to be introduced as a currency. Although animal skin was also used as a currency in what we know today as China, it did not have such an impact, as coins were much more salable across space and time than animal skin which, without special treatment, could deteriorate rapidly.

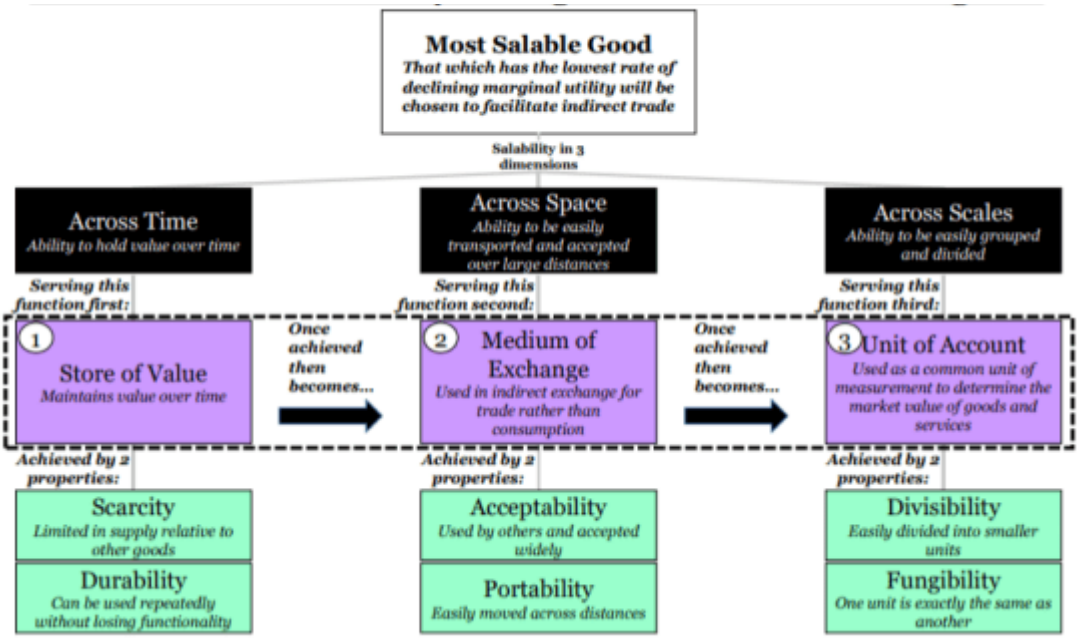

Figure 1: The Dimensions of Money through the process of convergence (Yakes, 2021)

Currency can be defined as *"any item or medium of exchange that is accepted by people for the payment of goods and services, as well as the repayment of loans"* (Munichiello, 2023). Understanding money as a medium of exchange can further help us to understand the term salability. This term was first used by Carl Menger, the father of the Austrian School of Economics, who defined salability as the *"property that leads to a good being adopted freely as money on the market"*. In modern eras, writers such as Eric Yakes and Saifedean Ammous have presented a new way to look at salability in their books. More specifically, Ammous refers to this term repeatedly in his book, "The Bitcoin Standard", in which he analyses how people have transitioned from less salable to more salable money, over time. This can be seen in the transition from bartering all the way to fiat money that we use now. Although some may argue that fiat is not that salable across time, it is definitely more salable across space and time than gold.

Fiat money: "Fiat money is a government-issued currency that is not backed by a physical commodity, such as gold or silver, but rather by the government that issued it." (Munichiello, 2023)

Lydia was the first place where official coins were minted from gold. Gold is considered to be the most salable metal, as it holds value over time and resists decay. These coins were also the most salable across space, as they carried a lot of value in small weights, allowing people to travel with them easily. Two of the other metals that were used as a means of exchange during the same time were silver and bronze. These two metals were the most salable goods across scales, because they had a low value per weight unit when compared to gold.

These three metals opened the way to the creation of markets and trade worldwide. While this was the best monetary system that was technologically possible at that time, it had its drawbacks. For example, silver suffered from problems of fluctuation and loss of value, and it was possible that governments and/or counterfeiters might reduce the value of these coins, harming the purchasing power of holders. This loss of purchasing power was mainly because of loss of soundness and increase in counterfeit currency. Money is sound when it rarely loses value and therefore is able to perform its functions as a medium of exchange effectively.

Metals were used as currency for hundreds of years, until the Chinese invented the idea of paper money in the 7th Century. This idea gradually took hold across the world as it was more convenient to carry a paper promising to pay the money at a destination rather than carrying large sums of gold or coins across long distances. In the nineteenth century, with modern banking and new technological advancements, it became the norm to trade using paper money and cheques backed by gold, which was stored in treasuries of banks. This made transactions at any scale possible, therefore making silver and bronze standards obsolete. This way of transactions is called the “gold standard”, as every paper emitted is linked to a certain amount of gold, being this total sound money. This standard led to an unprecedented capital accumulation, and also united the majority of the planet’s economy into one market choice of money. As can be seen in the graph below, gold annual stockpile growth rarely surpasses the 2.5% mark, making it a good that will rarely lose value due to excess supply, therefore being a perfect asset to back up paper notes. (Ammous, 2018)

Although gold rarely lost value, due to the fact that currency was centralised, it became possible for governments to increase the supply of money beyond the amount of gold they actually held. This causes the money to be devalued because part of its value is transferred from the owner of the money to governments and banks. (The process of money devaluation and the transfer of value from money holders to governments and banks occurred as governments, operating on a gold standard, centralised the control of currency and, at times, increased the supply of money without a proportional increase in the gold reserves backing the currency.

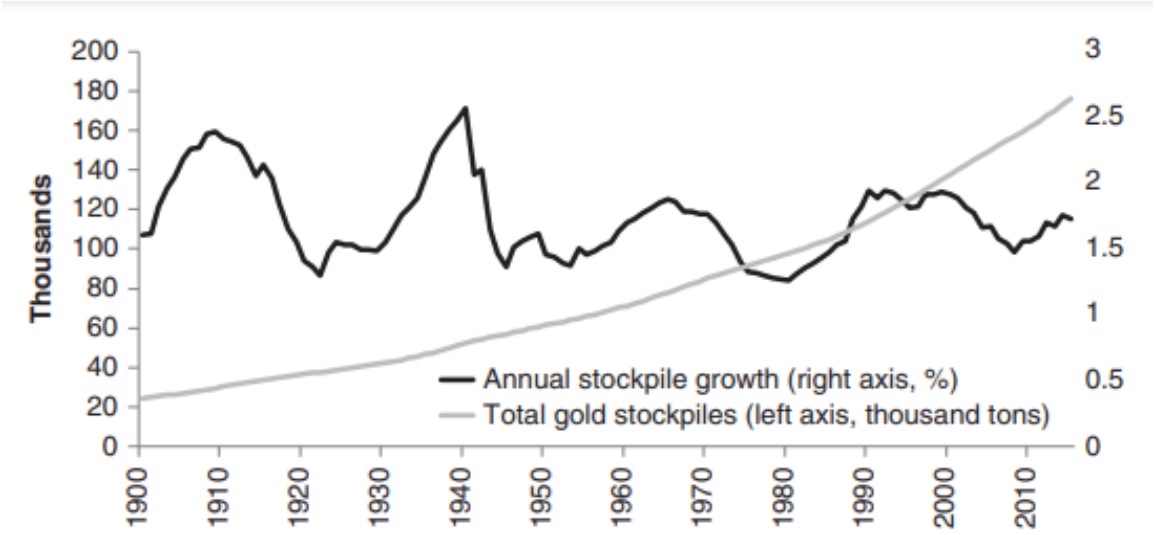

Figure 2: Global gold stockpile and annual stockpile growth rate. (Yakes, 2021)

II. Current Situation

The Internet has changed the way in which the global economy operates, and has opened the way to cheaper international transactions. It has provided a rapid, convenient and cost-effective way of moving value throughout the globe, and includes transactions involving not only businesses, but also private individuals and governments. It has also opened online retail opportunities, and benefited the financial market sectors. Similarly, governments have been able to save money in various processes involving their citizens through automation

via the internet. These processes go from tax payments, to direct channels of citizen attention.

Changes in the internet have also opened the way to new digital assets being used as money. Digital assets that are used to move value are called digital currencies. According to Investopedia, a digital currency is *"a form of currency that is available only in digital or electronic form"* (Virtual Currency: Definition, Types, Advantages & Disadvantages, 2023). The most known example of a digital currency is Bitcoin, which was created in 2009 by Satoshi Nakamoto. Contrary to traditional fiat, these currencies are intangible, as they do not physically exist like coins and banknotes, and they are only conducted by internet-linked electronic wallets. Most of these currencies are recognized for being able to cross borders, so that it is possible to make instantaneous cross-border transactions, enabling people from anywhere in the world to engage in transactions without intermediaries and without discrimination.

Virtual currencies can be defined as *"unregulated digital currencies controlled by developers or a founding organisation consisting of various stakeholders involved in the process"* (Munichiello, 2023)

Crypto currencies can be defined as: *"digital currencies that use cryptography to secure and verify transactions in a network"* (Munichiello, 2023)

Central Bank Digital Currency (CBDC) can be defined as: *"A virtual currency that uses cryptography to secure and verify transactions as well as to manage and control the creation of new currency units"* (Munichiello, 2023)

These three types of currencies can be catalogued as digital currencies, which are intangible and functional currencies, and only have a digital form. The difference between these and fiat, is that virtual currencies and crypto are not government controlled, which means that currencies are not being controlled by governments, but rather by individuals or enterprises in the case of most virtual currencies; most cryptocurrencies are decentralised, which means

that they are not controlled by a central government entity. It is important to note that due to the fact that cryptocurrencies are not being generally adopted, they have to be bought using fiat legal tender. In decentralised cryptocurrencies, mint is limited by the creator, so that there is a limit to the emission of a coin, contrary to the emission of the dollar for example, where the Federal Reserve Board (FED) decides the circulating supply.

Mint: *"Creating new digital coins or tokens on a blockchain network. Primary producer of a country's coin currency"*. (*Mint Definition and Meaning | Collins English Dictionary*, n.d.)

To Understand more about types of digital currency this link can be used: [Types of digital currency]

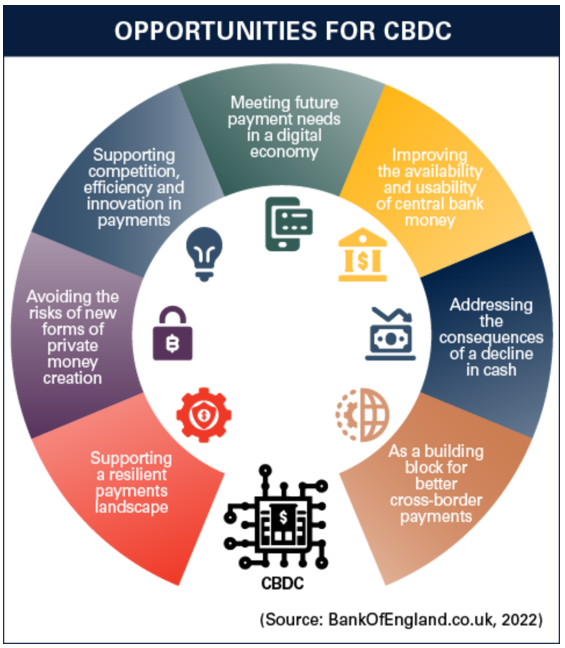

Figure 3: Opportunities for CBDC (Bank of England, 2022)

On the other hand, CBDC's can be considered digital fiat because their value is equivalent to a country's fiat, with its supply being controlled by a government. CBDC's have been proposed by governments with the aim of providing privacy transferability, convenience, accessibility and financial security to both business and consumers. Governments which are in favour of adopting this method of moving value agree that adopting CBDC's would reduce the risk associated with using other types of digital currencies such as crypto. They state that it would provide a safe economy, providing an alternative to highly volatile cryptocurrencies, and that it could also solve the problem of storing fiat money, which has begun to circulate nowadays digitally in the direct way of CBDCS and indirect way of stable coins. Stablecoins: Digital tokens with the price linked to a fiat currency.

One of the first countries to begin the official implementation of a digital currency was the Bahamas by launching the Sand Dollar in December 2020. According to the government of Bahamas, they have 4 main objectives with the launch of this currency: to create more access to payment systems; to increase efficiency of payments; to achieve greater financial inclusion; and to strengthen national defence against money related crimes such as money laundering. However, *"As of February 2023, 1,025,892 Sand dollars are in circulation, an increase of over 300 percent from the end of 2021 (CBOB, 2023). Looking at the number of Sand dollars in circulation relative to all Bahamian dollars in circulation (8.01 billion), it can be said that the role played by the Sand dollar is marginal. Only 0.013% of the money supply consists of Sand dollars."*(Lessons from the First Implemented CBDC: The Sand Dollar, n.d.)

Although, at first, CBDC's may seem to be a convenient alternative to making transactions with other digital currencies as they are centralised by a government, they have been widely criticised by various politicians all around the world. Republican American presidential candidate Ron DeSantis, referring to the implementation of a digital USD by the FED, said, *"I think it would be a total disaster. Sometimes the government does things that may appear to be benevolent but really are kind of like a wolf in sheep's clothing, this is a wolf coming as a wolf"* (DeSantis R, 2023).

Issues that have been raised with regard to the idea of adopting CBDC's in various countries go from huge financial structural changes to private data protection. Furthermore, it could lead to increased government surveillance and access to personal financial data, raising significant privacy and data protection concerns. When a CBDC's are used for transactions they leave a digital footprint that could be used to trace the transaction and therefore be easily monitored by the government. On top of this, as an example of what crypto can achieve, 3 of the 4 objectives set by the Bahamian government with the launch of its CBDC can be achieved by crypto. The only downside that most governments see with regards to cryptocurrencies is the loss of control of how money moves, which may involve problems in tax payments and money-related crimes, such as money laundering. It is a fact that for a secure implementation of CBDC's to be possible, a more rigorous control over transactions is necessary, with governments being able to monitor all transactions. CBDC's can be

presented as an alternative to cryptocurrencies, with the main difference being that they are not decentralised. This difference could lead to problems in government structure, such as taxation, which could be easily evaded due to the fact of not having a strict register of transactions. It is still to be seen whether the world of digital currencies opts for a decentralised version, governments CBDC's or a combination of the two.

III. Key points of the debate

- Challenges of transitioning to digital currencies
- Establishment of regulatory frameworks for CBDC's and digital currencies
- Impact of digital currencies in social and economic equity
- Effects of cashless societies on developing countries
- Ensuring equitable access to digital payments
- Concerns and criticism about CBDC'S (privacy, financial and technological risks)

IV. Guiding questions

1. What are the benefits and disadvantages in your country of using digital currencies instead of fiat currency?
2. Has your country implemented or considered implementing a CBDC? If so, what stage of its implementation is your country at (Launched, Pilot, Development or Research)?
3. What regulations does your country have in place regarding digital currencies?
4. What international regulatory frameworks should be implemented to ensure a good use of digital currencies?
5. How might the transformation to a cashless society affect the regulation of circulating money in your country?
6. What implications to citizens' privacy and security does the implementation of CBDCs and other digital currencies have in your nation?
7. In what ways might the adoption of CBDCs influence cross-border transactions and international trade relationships?

8. How are businesses and consumers reacting to the shift towards cashless payments and the use of digital currencies? What changes are needed in terms of infrastructure and education to support this transition?
9. What potential economic and social benefits could arise from a cashless society, and how are they being communicated to the public?

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3. Topic 2: *The oligopoly of multinational corporations in the food industry*

I. History/Context

As living organisms food is one of the most important necessities, it is the fuel that allows us to function as a species and one of the main factors that allowed our society to develop. For thousands of years food was nothing but this, a basic necessity, nothing less, nothing more. With a system of food gathering that relied only on hunting and gathering, food sources were scarce and people could only eat as much as they really required. It was not until approximately 12,000 years ago that the "Neolithic Revolution" started with the emergence of agriculture. With agriculture, communities were able to acquire consistent, reliable and self-sustaining food sources, meaning that food was no longer a scarce commodity, instead, it became an abundant good. As a result, communities were no longer obliged to be nomadic, instead, they could create permanent settlements in which bigger and more prosperous communities were able to thrive.

Figure 1: Neolithic Agriculture

With the creation of permanent settlements and the luxury of a reliable food supply, the main priority of civilization was no longer hunting, instead the majority of the time and energy people possessed was invested into a wide variety of activities that could improve

the newly emerged communities. From tool building, to studies, to political and social systems, society now had the opportunity to develop at a faster rate than ever before. With the passing of time, a more complex society started to develop and, with the emergence of livestock, all types of food imaginable were now available to everyone in the civilised world.

Things changed with the introduction of currencies as a medium of exchange. In the year 600 B.C. the first form of currency emerged and, within a few years, precious metals were the standard form of exchange globally. Accordingly, the introduction of currencies brought a new interest in food, not as just a basic commodity, but as a business that could bring wealth to landowners. Selling food became one of the most profitable businesses at the time, and different types of food started to be sold at higher prices according to their rarity and availability. With the implementation of Feudalism in mediaeval Europe during the 13th century, landowners became increasingly powerful and royalty was capable of controlling most of the food supplies available. In a feudalist system *"most lands were owned by the king, while some belonged to the church. The king would give large portions of his land to high-ranking society members known as 'nobles' or lords. These lords were often military leaders and held absolute power over the 'fief' (land). They would perform the administrative and judicial functions of the fief while defending the land and the people who lived there."* (Feudalism, 2014).

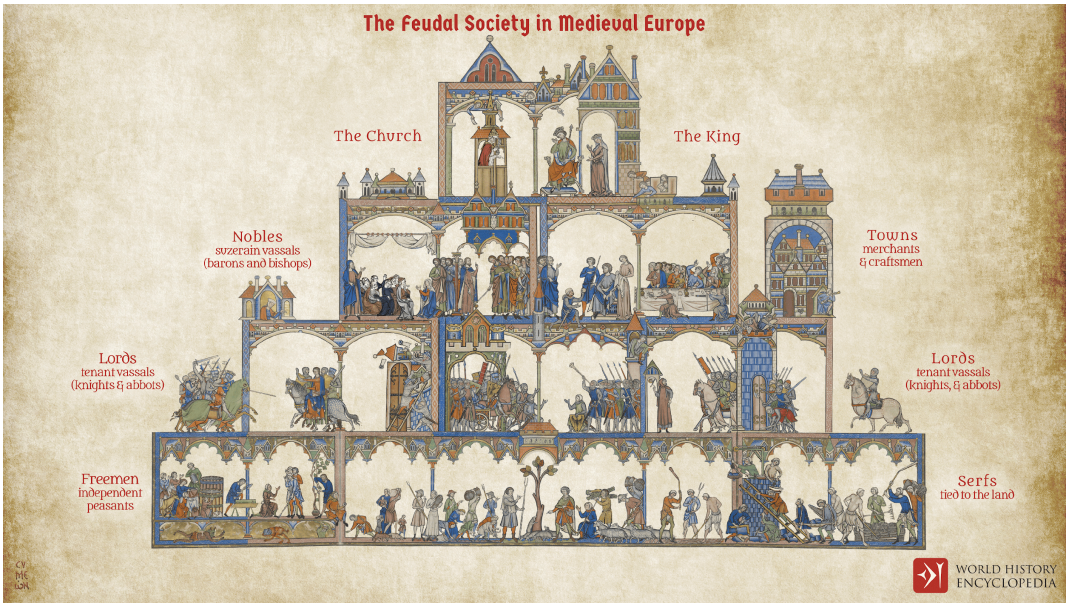

Figure 2: The feudal system

For decades feudalism remained the main societal system, with the key to having power and wealth being the ability to own land for food production. This all changed during the 18th century with the first Industrial Revolution, when the invention of industrial machinery meant that manufacturing a variety of goods became much faster. According to Britannica, the Industrial Revolution was *"the process of change from an agrarian and handicraft economy to one dominated by industry and machine manufacturing. These technological changes introduced novel ways of working and living and fundamentally transformed society."* (Britannica, 2023). Food production, specifically, became much more efficient and much of the power and wealth was passed from landowners to factory-owning capitalists who could produce food at lower prices and sell them more expensively. The food industry became a profit-oriented industry in which the customer was no longer the priority. Consequently, food quality diminished for the lower social classes whilst, at the same time, prices increased due to the rising demand for food for the growing population.

Figure 3: Food production and processing in the 19th-century

During the 19th century in the United States, food processing started to be introduced into the food industry. Contrary to popular belief, food processing as a whole did not start in the USA, instead, food processing for preservation, fermentation, drying and extracting had been common practice by multiple civilizations for centuries. Nevertheless, this type of food

processing relied mostly on natural processes, whereas the type of food processing utilised in the United States' food industry relied on chemical processes. These processes not only preserved the food, but also added artificial flavouring, sugar and fats to make the food tastier. These additives act to increase dopamine production in the consumer, increasing demand for the food itself. Dopamine is a neurotransmitter and hormone that produces the sensation of pleasure in the body.

It was during this time that chemical preservatives became an industry standard, and that many companies such as Campbell's, Kellogg's and Swift & Company were founded. These companies started leading the way into the creation of convenience foods like frozen dinners, canned soups, and ready-to-eat snacks. Furthermore, with the introduction of supermarkets in 1916, shoppers could shop for the products they wanted instead of the traditional method of passing a list to a clerk who would get the items for them. *"That [method] meant consumers could make decisions as to what it was they wanted to buy, and that really led to companies trying to catch consumers' attention. It's really the origin of branding,"* says John Stanton, a professor of food marketing at Saint Joseph's University.

Figure 4: Big corporations in the food industry

With big corporations in the industry constantly trying to maximise their profits, they would constantly buy up smaller or emerging companies in order to dominate the markets. The food market started to be owned by a very small number of companies. These big food corporations would start to own at least one (although most of the time even more) brands in each food category. This created a strongly oligopolistic market where a small number of corporations dominated the food supply chain. The aim of the companies was to produce high profits, and this often meant that the quality of the food being produced was of little importance. Today, the consumption of highly-processed food has led to a rise in preventable diseases such as obesity and diabetes.

II. Current Situation

The food industry has now become one the biggest industries in the world. However, with the growth of a small number of huge multinational companies over time, the industry is in crisis due to the exaggerated control that these few corporations exert over it. According to Forbes *"Just five companies account for almost half of supermarket food sales in the United States… Just four companies provide us with 79 percent of our beef, 65 percent of our pork, and 57 percent of our poultry."* (Singh, 2012). Additionally, just 10 companies own more than 90% of the products in the food industry: Nestle, Pepsico, Unilever, Coca Cola, Mars, General Mills, Mondelez International, Danone, Associated British Foods, and Kellogg's (Ryan, 2023).

According to the Guardian, *"a few powerful transnational companies dominate every link of the food supply chain: from seeds and fertilisers to slaughterhouses and supermarkets to cereals and beers*. *The size, power and profits of these mega companies have expanded thanks to political lobbying* (Trying to persuade a government authority to change a rule or law) *and weak regulation which enabled a wave of unchecked mergers and acquisitions. This matters because the size and influence of these mega-companies enables them to largely dictate what America's 2 million farmers grow and how much they are paid, as well as what consumers eat and how much our groceries cost."* (Lakhani et al., 2021).

Figure 5: Companies that control the food industry

The current situation of the global food industry resembles that of an oligopoly. In a monopoly, one company has complete control of the supply chain and prices. An oligopoly refers to a market in which a small number of companies control or exert control over it. In an oligopoly, as not one corporation has all of the power and is able to control all prices and aspects of the market, there is an aspect of "perfect competition" (when prices reflect supply and demand through a large number of buyers and sellers). However, this perfect competition is only applicable to the few companies that do control most of the power in the market. According to Investopedia: *"Because there is no dominant force in the industry, companies may be tempted to collude with one another rather than compete, which keeps non-established players from entering the market. This cooperation makes them operate as though they were a single company. While not a single-company-dominated monopoly, oligopolies erect significant barriers to entry, effectively keeping out new upstarts from becoming competitors."* (What Are Current Examples of Oligopolies?, 2023).

Although an oligopoly does exist in the food market, there are a variety of laws that were constituted specifically to stop this kind of issue from emerging. One of the most prominent examples of these are antitrust laws. *"Antitrust laws, also referred to as competition laws, are statutes developed by the U.S. government to protect consumers from predatory*

business practices. They ensure that fair competition exists in an open-market economy. These laws have evolved along with the market, vigilantly guarding against would-be monopolies and disruptions to the productive ebb and flow of competition." (Understanding Antitrust Laws, 2023). These laws are designed to specially target unlawful and predatory practices: bid rigging, (when buyers, who should be bidding against each other, secretly collude with each other to decide who will win the bid) price fixing, and emergence of monopolies. For instance, bids at cattle sales can be rigged due to low competition between meatpackers, meaning lower prices for independent cattle ranchers, in fact, the prices can be so low that ranchers are not able to fund their businesses. Accordingly, antitrust laws can prevent vertical and competition mergers, predatory pricing, refusal for a deal, and exclusive supply agreements.

Although antitrust laws can be argued to be very good practices by governments, many argue against them for being terribly inefficient largely due to the control that these corporations have over the governments themselves. According to the International Panel of Experts on Sustainable Food Systems (iPES) *"Over recent decades, corporations have succeeded in convincing governments that they must be central in any discussion on the future of food systems. Public Private partnerships and 'multi-stakeholder' roundtables (e.g., on 'responsible soy', or 'sustainable palm oil') have normalised a prominent role for corporations and given them an inside track to decision-making."* (iPES, n.d.). This shows how even the governments tend to have common interests with the big corporations that reign over the food industry, allowing them to have a say in the decision-making process that is supposed to protect the general public from their practices in the first place.

One clear example of this is the meat industry in the USA, as 80% of the meat industry is controlled by only 4 companies - Tyson, JBS, National Beef and Cargill. In fact, the meat industry was one of the main reasons that antitrust laws were established in the first place in the 1900s, when large companies tried to lower the price paid to cattle and grain farmers. Despite this, the meat industry is still one of the industries that is affected most by oligopolies. With only four companies being able to control much of the industry, they can decide how to bid for the cattle and the prices at which they sell the beef; most of the time

they bid very low for cattle and sell it at high prices. This means that many family-owned cattle raising farms and feedlot owners constantly get paid extremely low prices by meat-producing companies. Due to the very low competition in the market and the intense oligopoly, farmers simply have no choice but to accept the low fees they get offered from these companies. In fact, this situation alone is a factor that has caused 40% of cattle ranches to close since the 1980s (Vox, 2021).

In addition to all of this, it is of high importance to understand all of the environmental effects that such an oligopoly in the food market brings to the world. With corporations controlling the majority of the food market, the farming practices switched from ecological local practices to big scale industrial practices which tend to deteriorate the soil and produce high amounts of CO2 emissions to the atmosphere. According to Othering & Belonging Institute “Industrial agriculture uses at least 75% of the world's agricultural resources, but provides food for less than 30% of the global population compared that to agro ecological farming which uses 25% of the worlds agricultural resources and provides food to 70% of the world’s population.” (Othering & Belonging Institute, 2018). This shows exactly how wasteful the industrial practices used by such corporations are, however they are still being used due to their low costs and their ability to allow corporations to maximise their profit.

Figure 6: Meat industry

There are differing points of view regarding solutions to the problem of oligopoly in the food industry. In terms of the United States, a country renowned for its deep-seated capitalist principles, and despite its shift from a purely free market system, there remains a distinct

emphasis on incentivizing and perpetuating a free market to the greatest extent possible. Accordingly, the most logical solution is to establish as little regulation as possible in the market and instead provide a large influx in monetary resources for small businesses and farmers to provide stronger competition in the market. This approach is similar to President Biden's solution to increment competition in the meat market in 2021. Biden proposed a 1 billion dollar investment aimed at promoting competition in the industry, arguing that, *"the main problem with big meat companies is their size; more numerous, smaller processing companies would therefore be better, providing the same quantity of the same products, more reliably, and at lower prices."* (Dutkiewicz, 2022). Similarly, many developing nations might also argue in favour of the oligopolistic nature of the market to increase development in the food industry, and thus their nation's economy.

Figure 7: Sustainability in the food industry

On the other hand, many nations suggest that the best approach is to advocate corporate responsibility by regulating not only the market but also the health and quality standards in the products. This would mean reducing added sugars, fats and unnecessary chemical processes in food production. Furthermore, it might be beneficial to advocate for companies with strong climate programmes that serve to reduce climate impact. By placing regulation on these factors many renewable, healthy and sustainable based companies might be benefited, the majority of which are upcoming food companies and local farms. This approach would also shift consumers from the use of supermarkets with ultra-processed foods to organic and localised markets for greater competition. Nations such as Sweden,

Denmark find this approach viable due to their emphasis on corporate responsibility and sustainable methods. A clear example of this is Sweden's implementation of a carbon tax in the year 1995 in order to lower the dependency and use of corporations on fossil fuels, *"This excise tax is placed on carbon-intensive fuels such as oil and natural gas, and has heavily cut down Sweden's dependency on fossil fuels. Instituting a carbon tax is a cost-effective means of lessening CO2 emissions."* (ADEC Innovations, 2015), which imposes certain limits on production in the food industry.

Many nations might argue in favour of a strong regulation of markets to increase competition and give more control of the market to the governments. This would allow for stricter regulations and laws that could stop the existing oligopoly and reduce the size of the already existing powerful corporations that control the industry. Nations such as China and Russia prefer this approach due to their strong approach to political and economic regulation. A good example of this is China's efforts to implement regulations in the food market as of 2022: *"China's new regulations assign the responsibility to confirm adherence to government bodies. This means additional work for the state, and European countries do not have the manpower to handle these tasks. These requirements will apply in the cosmetics and food industries from 2022… Moreover, a food or cosmetics company that changes its legal entity, production site or product loses its registration for the Chinese market and has to reapply. This affects the strategy options companies have at their disposal."* (PricewaterhouseCoopers, 2022).

III. Key points of the debate

- To what extent is the free market bound to create an oligopoly and what benefits and/or disadvantages it might bring?
- The lack of competition in the food industry.
- The low nutritional value of processed food products.
- The increase in price and decrease in quality of food products.
- The protection of farmers and consumers in the food industry.
- The lack of sustainability and quality standards of food corporations.
- Possible regulations to address the oligopoly in the industry.

IV. Guiding questions

1. Does your country have laws to foster healthy competition in the food industry?
2. Does your country have any type of laws preventing the oligopoly of multinational corporations in the food industry?
3. Does your country have any laws or standards for the food manufacturers to ensure quality of their products and to avoid any health risk they can pose on the consumer?
4. What is the level of oligopoly present in the food industry of your country? How severe is it? What consequences has this brought to your nation?
5. What are the main food manufacturing corporations in your nation? What percentage of the overall market do they occupy?
6. Does your country have any laws to ensure the protection of upcoming food manufacturers?
7. What solutions has your nation proposed and/or implemented to reduce the oligopoly of the food industry, if any?

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