

Reducing food waste throughout Europe: economic impact measurement using budget-constrained expenditure multipliers

Topic: Classical IO applications: Multiplier and Linkage Analysis

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About one-third of food produced for human consumption is lost or wasted, becoming a major global issue that threatens a sustainable food system and generates negative externalities in environmental terms. Avoiding this wastage has an economic impact on national economies, which has been traditionally assessed in terms of resource savings. The effect of such reduction has also been analyzed in terms of output and employment, using standard expenditure multipliers. This paper attempts to improve this latter approach by using budget-constrained expenditure multipliers, which allows us to consider the reallocation of expenditures due to the wastage avoided. To do this, we use Social Accounting Matrices for a sample of European countries with different economic structure.