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# On the efficiency of fair trade

Mark Hayes

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## Acknowledgements

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## Notes

1 The theory of employer monopsony has since progressed from the static partial equilibrium model presented here to stochastic general equilibrium models of dynamic monopsony and oligopsony, where oligopsony means employers are atomistic but still set wages. Manning cautions that:



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6 Where the premium is ring-fenced by the buyer and paid into a separate development fund there can be no adverse consequences for efficiency even in this case.

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