Struggle for existence in the world economic ecosystem

Viviana Viña-Cervantes¹, Michele Coscia¹, 2, Michael Schaub¹ and Renaud Lambiotte¹

¹Naxys - University of Namur, Rempart de la Vierge 8, 5000 Namur Belgium ²Center for International Development - Harvard University, 79 Jfk St, Cambridge 02138 US

The global trade network is a highly dynamical system, with the constant emergence of new products and technology progress.

The commercial relationships between countries depend on a variety of parameters like supply and demand, price difference, product quality and geographical location. In the global trade market there is constant competition between exporting countries. We are particularly interested in cases when this competition affects dramatically the export of the one of the countries.

We think that the economies are like predators, and they are able to displace weaker economies in many markets. A prey is defined as a pair (importer, product).

We test this theory by creating "predation network", connecting country a to country b if a's appearance in a market preceded b's disappearance. This is related to multilayer network [1, 2] and signed network analysis [3, 4].

To better understand how the procedure works, we present a particular example. We consider the car market (SITC code 7810) in the United States (USA as importer). We observe that in the year 1964 the roles of Japon and Italy were switched. We focus on Japan as a potential predator in this prey (the pair USA, car market), and Italy as competitor, Figure 1 depicts the share of USA car market of Japan and Italy. We will consider that Japon was predator of Italy, only if the decrease of the exports of Italy are connected with the increase of the exports of Japon.

Timelines of share of exports for Italy and Japan in the USA car market

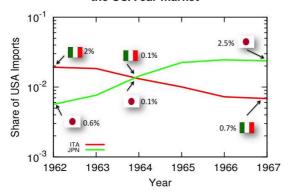


Figure 1: Timeline of Japan's and Italy's exports in the US car market in the 60s.

To establish if the countries (a and b) are actually in a predatory competition, with a pair importer c-product p as prey, there are several requirements to be satisfied:

- 1. c must have not stopped importing p;
- 2. a has to have ceased to export p to c
- 3. *b* still has to be exporting the product, this is the potential predator exporter;
- 4. The cessation of exports from the *a* must have been longer than a certain number of years.

We focus on longitudinal, multiplex data on commercial relations, to test the presence of predator countries in the course of time. We consider their relation to the complexity of products and national economies, predict which countries are leading the global trade network and which countries are at risk of being predated in different dimensions.

- [1] Kivelä, Mikko and Arenas, Alex and Barthelemy, Marc and Gleeson, James P and Moreno, Yamir and Porter, Mason A *Multilayer networks* (Journal of complex networks, 2014)
- [2] Berlingerio, Michele and Coscia, Michele and Giannotti, Fosca and Monreale, Anna and Pedreschi, Dino Multidimensional networks: foundations of structural analysis (World Wide Web, 2013)
- [3] Leskovec, Jure and Huttenlocher, Daniel and Kleinberg, Jon Signed networks in social media (Proceedings of the SIGCHI conference on human factors in computing systems, 2010)
- [4] Szell, Michael and Lambiotte, Renaud and Thurner, Stefan Multirelational organization of large-scale social networks in an online world (Proceedings of the National Academy of Sciences, 2010)