

Annex 19

**Paris Meeting
WP 3 Plenary session
Synthesis report**

**Presentation
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Link between OLPs and rural development WP3 SYNTHESIS

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Main fields of in-depth analysis

1 - Multifunctionality

2 - Strategies

3 - Evaluation

✍ POLICY IMPLICATIONS

✍ OPEN QUESTIONS AND RESEARCH NEEDS

Evidences and Questions

Plurality of potential positive effects of OLPs on RD

OLPs are not only "official labelled" products ... the label can be a result

The "virtuous circle" OLP-RD is not the rule ...

... but it can be an analytical paradigm.

Which are the critical points?

How to reinforce the "circle" ?

1 - Multifunctionality

- Positive and normative approaches to MF are not separable
- OLP model as a multifunctional model?

✍ THREE STEPS

1) Are OLPs an expression of traditional farming and processing systems with a high degree of local specificity ?

Do these systems generate non-commodity outputs that the market cannot remunerate?

✍ No much empirical evidence on this field

✍ Need of multi-disciplinary analysis of non-commodity outputs linked to OLPs

.. Multifunctionality: OLPs and Consumer Pays ?

2) If yes can OLPs valorisation solve the market failure associated with externality and public goods aspects of NCO provided by OLPs ?



OLP valorisation as a tool to implement
(by way of indirect markets)
Consumer Pays Principle for externalities coming from traditional farming and processing systems



WTO implications:
There is a role of Geographical Indications in supporting multifunctional agriculture ?

.. Multifunctionality: open questions

3) How do improve the OLP valorisation (and quality signs) as a tool to remunerate multifunctional farming systems?

3 main issues:

a) **how to make the market to compensate the difference between private benefit and social benefit generated by OLPs?**

- Different kinds of value linked to OLPs: generic food, hedonistic, local and global public value ...
- ... but how much is consumers willingness to pay for NCO generated by OLPs ?
- ... and which are the tools for signalling to consumers the externalities provided by OLP?

Is PDO-PGI the right tool?

.. Multifunctionality: open questions

b) **does the value created in the market remunerate those agents which effectively produce non-commodity goods ?**

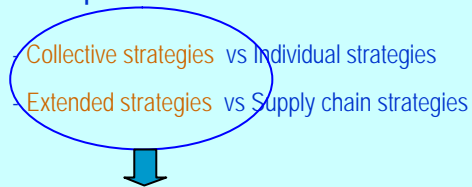
- Supply chain: can extra -prices dependent on NCO joint to OLP be transferred to firms who produce NCO?

c) **have the agents who benefit from the rent of origin an incentive to reproduce the conditions for the provision of external effects ?**

- Need of rules (Product Specifications?)
- ... but the critical aspect is the nature of the VALORISATION STRATEGY implemented by LOCAL ACTORS

2 - Strategies and tools

- Not all the strategies have the same effects on rural development



Transforming the intrinsic value of the territory into remunerative social value

... through the building of networks between different actors, and reaching territorial scope economies

2- ... Strategies: policy implications

PDO and PGI: are they the right tool to foster rural development?

- PDO-PGI are usually considered to have positive effects on rural development, but **no much evidence**
- **formal logics, exclusion effects of more small-artisanal firms, non professional firms and more marginal areas**
 - PDO-PGI ? rural development, or viceversa?
 - more accessible "origin signs" ?

2- ... Strategies: policy implications

Other public policy implications: not only PDO

- structural and entrepreneurial problems to solve
- supply chain structure
- need of integration of policy tools at a local level around the OLP (CTE, Rural districts ...)

3 - Evaluation

OLPs can have a set of differentiated effects on rural development

- ✍ WHICH KIND OF EFFECTS SHOULD BE EVALUATE ?
- ✍ HOW TO EVALUATE THESE EFFECTS ?

.. Evaluation

SUPPLY CHAIN EFFECTS

- **Commonly used supply chain indicators** (prices and volumes, employment, value added, etc.) **are not sufficient to highlight effects on rural development ...**
- ... **distribution effects** (direct, indirect and induced effects), **inclusion and exclusion effects** (by entrepreneurial and firm typologies, characteristics of areas, ...)

.. Evaluation

NOT ONLY SUPPLY CHAIN EFFECTS BUT ALSO (MAINLY?):

- **External effects:** impacts on environment, landscape, biodiversity, cultural heritage, etc.
- **Social effects:** rebuilding local dynamics and identities, supporting local innovations
- **Rural network effects:** stimulate other activities, support to economic diversification



Need for in-depth analysis

Proposition of a scheme

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