

## **RURAL NICHE PRODUCTS FROM LESS FAVOURED AREAS: A VIABLE POLICY OR TRANSIENT EMERGENCY SOLUTION?**

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### **EXTENDED ABSTRACT**

Productivist agriculture has led to the emergence of vanguard farmers/ farms/ regions on the one hand and backward on the other. The resulting inequalities were recognised as policy area by the EU with the Less Favoured Areas Scheme. During the last years the role of niche markets and niche market products for the LFAs has been highlighted as a potential development path. This paper tries a theoretical approach on the relation between niche markets and LFAs. It addresses the question whether niche market policies can opt as unconditional development strategies. Economic theory of monopolistic competition is used in order to form the theoretical relation between LFAs and niche markets. According to this study LFAs satisfy the necessary conditions for the application of niche market strategies but not the sufficient ones. Policy implications are investigated.

**Key words:** Less Favoured Areas (LFAs), monopolistic competition, niche markets