

Competitiveness and Full Cost Accounting

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What is FCA?

A set of methodologies to evaluate environmental, health, ethical, social costs and benefits

Based on the idea that market price don't reflect the value

The role of FCA in different competition contexts

- Price-based competition
- Quality-based competition

FCA in price-based competition

Business strategies based on cost reduction



FCA as the basis for taxation ('polluter pays', 'sugar tax') or for compensation

Actors of the food system act according to price signals

Taxation and compensations are based on 'averages'

FCA in quality-based competition

Business strategies based on value creation



FCA used by business as basis for differentiation

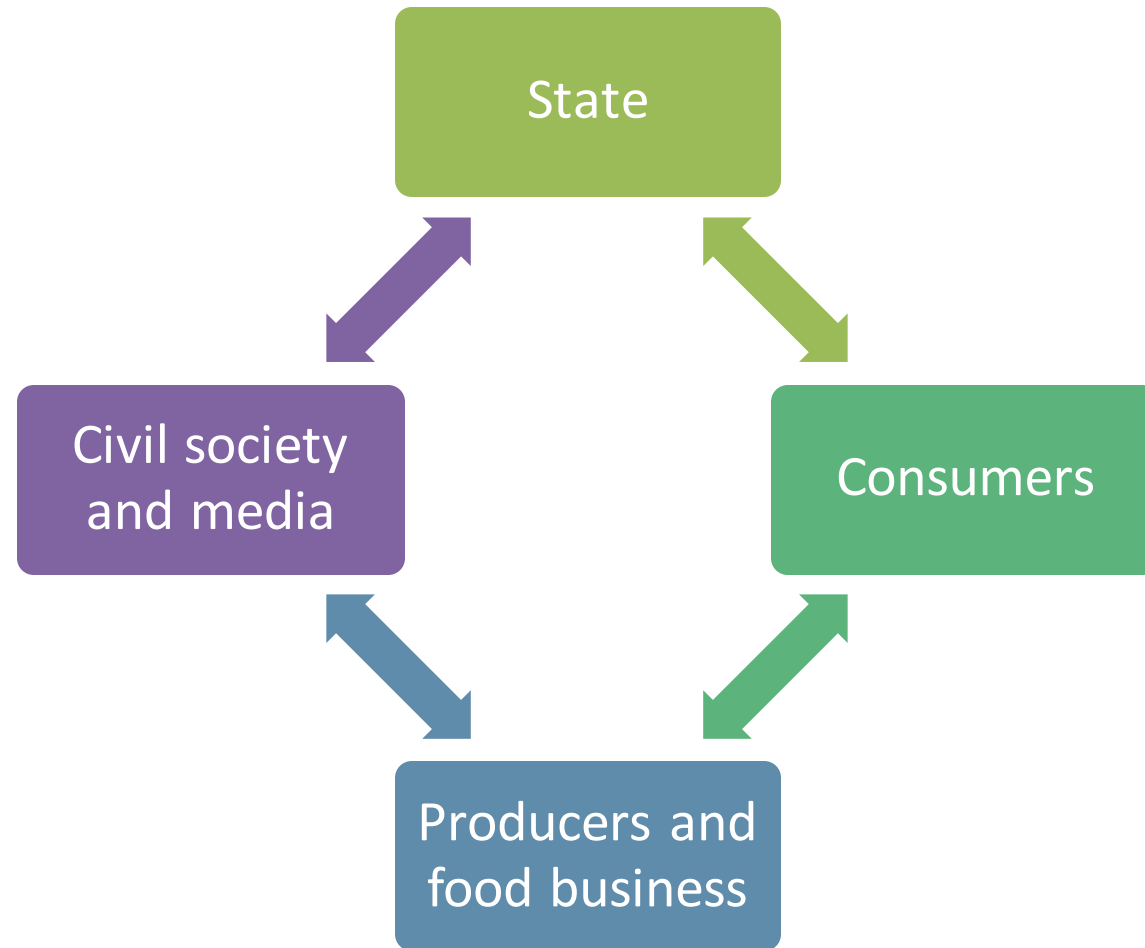
Actors of the food system are actively engaged in sustainability goals

Business actors are rewarded for higher performance

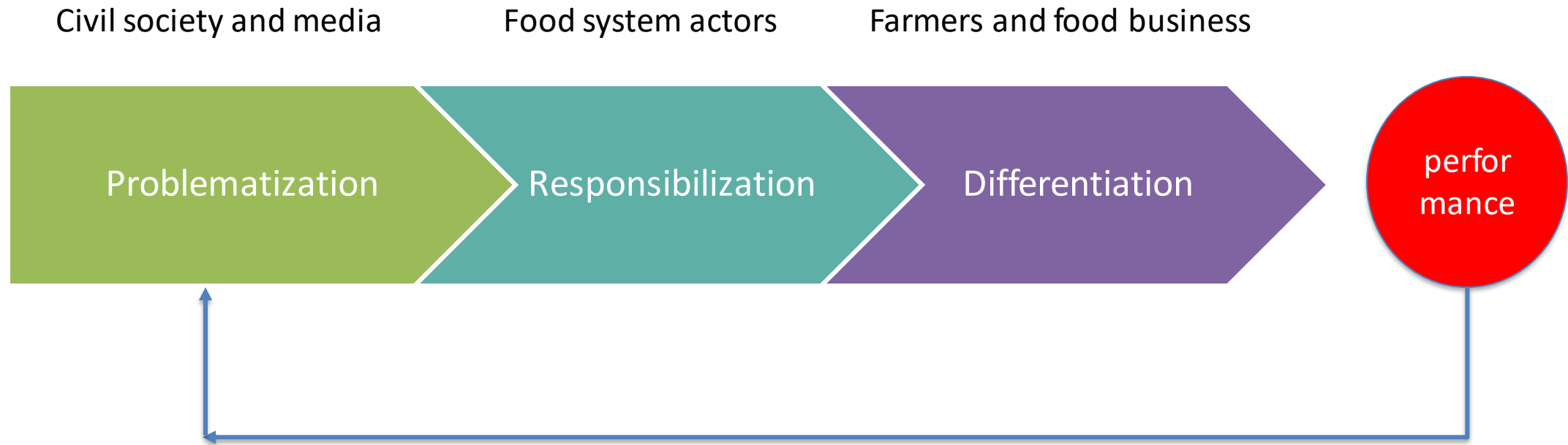
How can FCA apply in the quality-based competition?

- **Standards:** es. sustainable biofuels → thresholds
- **Footprinting:** measuring the impact per unit of product → indicators

FCA and governance



The dynamics of quality-based competition



What is the role of public institutions?

- Data availability and open access
- Ensuring transparency
- Regulating sustainability claims
- Fair footprinting methodologies
- Supporting communication to consumers

Thank you!

