

FAO & Sinergi Meeting

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Discussants Comments – Economic Issues

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Some General Comments

For the most part, the different presentations are case studies; thus, there are some methodological issues in terms of comparability of approach and comparativeness of results and conclusions. This would suggest a certain need to consider developing a theoretical overview which guides revising the case studies. On the other hand, the FAO work has useful elements of a potential methodological approach to case studies. As such, some of the Sinergi case studies also suggest a shared approach (e.g. Rooibos); however, this can be more strongly emphasised.

One suggestion for a shared methodology and a possible theory for GIs could consider the evolutionary economics as guide. In particular, their emphasis on a sectoral approach to the study of technology, technical change, and innovation/appropriation is well emulated in the case study approach evident here. Equally present are a set of similar questions being pursued in the different case studies. A possible next step is to step back from the rich empirical analysis and to explore possible patterns within the case studies. For instance, as most products have multiple supply channels, are there any patterns observable in the distinct channels, i.e. the short (direct to consumer) or the long (retail, wholesaler) and export channels? Equally, is there anything to be learned at the level of product categories: do dairy products raise particular issues that are unique to them in comparison say to other products? The latter would help elucidate sectoral patterns – if any exist.

The remainder of my comments pertain to the three broad themes of regulation/re-regulation, organisation and coordination, and marketing.

Regulation

The different presentations make us aware – and rightly so – that the introduction of GIs and the process of securing protection are inherently an attempt at *re-regulation*. In all cases there is evidence of an established cultural repertoire and the more recent introduction of laws concerning GIs as raising opportunities to *re-regulate*. No doubt, the case studies highlight this in different ways and with different levels of emphasis. There is a vast literature – much within the project and its predecessor, Dolphins – on issues concerning *re-regulation*. Thus, for example, the artisanal and heterogeneous nature of many GI-potential products raises problems for regulation (see Kajmack; FAO case studies). Then, there are seasonal issues in the production process that prompt a certain level of variability.

The process of regulation – and its impacts – is also noted in the case studies. One striking theme is that of exclusion. This may occur in terms of the organisation to secure protection or/and as well through the specifications (e.g. Pampa). One puzzle not adequately noted in terms of *re-regulation* and the specifications is what economist might consider as the general duality: low standards/high volume/low price and high standards/low volume/high price. It would be useful to see how this broad tension – and others – actually plays out in terms of *re-regulation* and the establishment of legal codes through the specifications of a GI.

Of use may be seeing relevant literatures on codes and standards, such as in the case of organic, fair trade and HACPP.

A final theme here, which also relates to the next theme, concerns the different actors that get involved. The case studies repeatedly take note of a variety of ‘external actors’, which include European/British supermarkets (Pampa beef), external funding agency (Kajmack) and a wider institutional mix that includes universities and civil society organisations (FAO case studies). It would

be useful to unpack the role of these different actors – in particular, through their different interests, agendas and power. It is not easy to accept the view that all actors share identical notions of the GI-product, its cultural value, its economic potential and the multiple notions of authenticity. Thus, at the end of the day, certain actors might have greater influence in shaping the process of *re-regulation* and setting new standards of authenticity.

Organisation and coordination

These case studies and the wider scholarship in Sinergi (and Dolphins) have amply demonstrated the collective action problems associated with re-regulation on account of GI-registration. And, there is ample literature on issues of prisoner's dilemma, the role of collective/public institutions and clubs. Some of the case studies also note the role of particular actors in bringing together the disparate interests of others. A theme that might be fruitfully explored is how the process of coordination and organisation in getting GI-registration might also lead to re-organisation of supply chains. In this respect, I am reminded of how particular actors at specific points in the supply chain begin at seeing GI-registration as an opportunity to either forward/backward link. Some elements of this exist in the case studies, such as some small Kajmack producers (particularly households) being economically forced into (near exclusive) milk production. Other patterns are observable in the Rooibos study and in the FAO case studies.

A related theme noted in the case studies is the important mediating role of third party certifiers. This question of credibility is not only for consumers (and marketing) but also for making a larger number of producers participate within the GI-club. The Pampa beef example notes issues concerning self-regulation. The Kajmack notes of issues of other certifying standards for the product. The presentation on Spanish wine draws in issues of excess information – and whether there are any economic returns.

Marketing

Despite any allusions to the contrary, these case studies and the research broadly conducted here are wedded to a certain economic logic: rural development and valorising the country side. It would be useful for a more self-critical engagement with these notions of rural development, valorisation and translating cultural values into economics. This may be difficult in the present circumstances as the research and approach is somewhat hostage to the logic of research funding and the politics of the agencies that provide financial support. However, the scholarship here does demonstrate – in different measures – an awareness of the role of particular actors/stakeholders. For instance, that different stakeholders hold different perceptions of how the product should be 'developed' (e.g. Rooibos; Pampa beef). Acknowledging these problematic and divergent notions of 'development' would be enriching and would also bring out the tensions between actual stakeholders located at different points in the supply chain. Finally, a more nuanced approach to examining how cultural values might translate into economic returns would be useful.

A common theme across many of the studies concerns the information asymmetries in the market between buyer and seller. This is a useful way to visualise the role of labels – and also to explore what might be an optimum label, if ever there was something like that. A couple of points on labelling are warranted. Foremost, a label is primarily useful in *distant* markets – either where the supply chain is long; thus, dislocating the consumer from the producer or where the consumer is *culturally* distant from the producer. The distance – geographical or cultural – warrants the need for a third party certifying agency establishing the authenticity of a product. Naturally, the way the label gets constructed and represented is a play with our many sensibilities and prejudices; thus, the need to deconstruct some of the notions of authenticity and origin.

The presentation on Spanish wines is particularly educative in terms of the economic impacts of labels and acute product differentiation.