

SINER-GI

Strengthening International Research on
Geographical Indications: from research foundation
to consistent policy

Task 1 - WP2 Final Report

Main findings on GI social and economic issues

Giovanni Belletti, Andrea Marescotti (DSE-UNIFI)



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(1) Aims

Aims of WP2

The objectives of the Workpackage n.2 were:

- to explore the contributions Origin products can give to supply-chains, rural development, environment and consumers/citizens
- to analyse what up to now we know about the effects/impact of GIs protection schemes can have on these dimensions, and their conditions of "success"
- to systematise the methodologies of analysis and the theoretical approaches

WP2 Methodology

Start-up phase

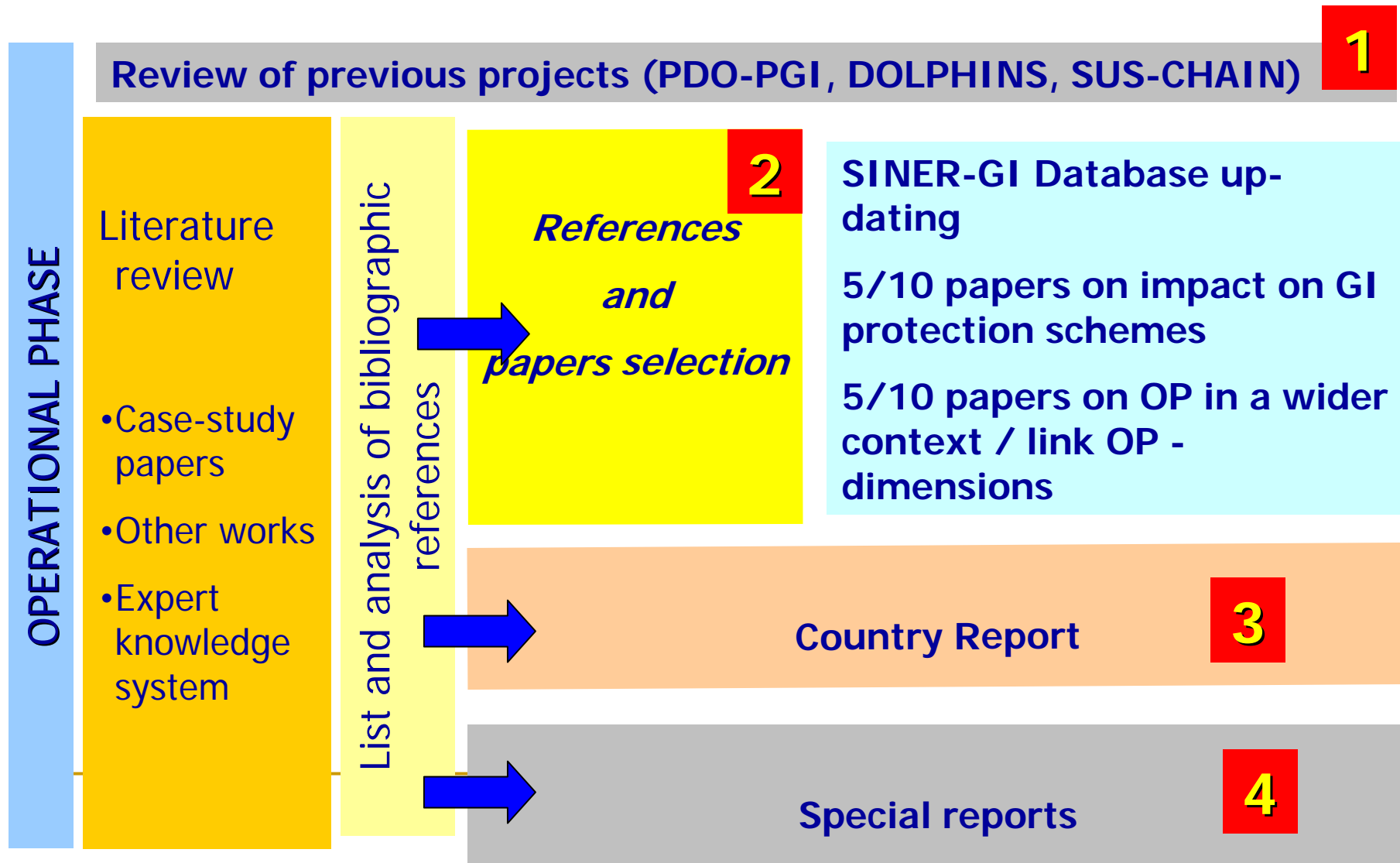
- sharing common definitions of OP and GI
- Definition of the main areas of interest and research questions

Operational Phase

- Review of the evidences on OP contributions to supply-chains, rural development, environment and consumers/citizens
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(2) WP2 Methodology

Products and Reports delivered:



(3) This presentation

Aims of this presentation

- ❑ synthesize the work done by SENER-GI partners.
- ❑ focus on some key-points that appear to be more useful for the further developments of SENER-GI project.

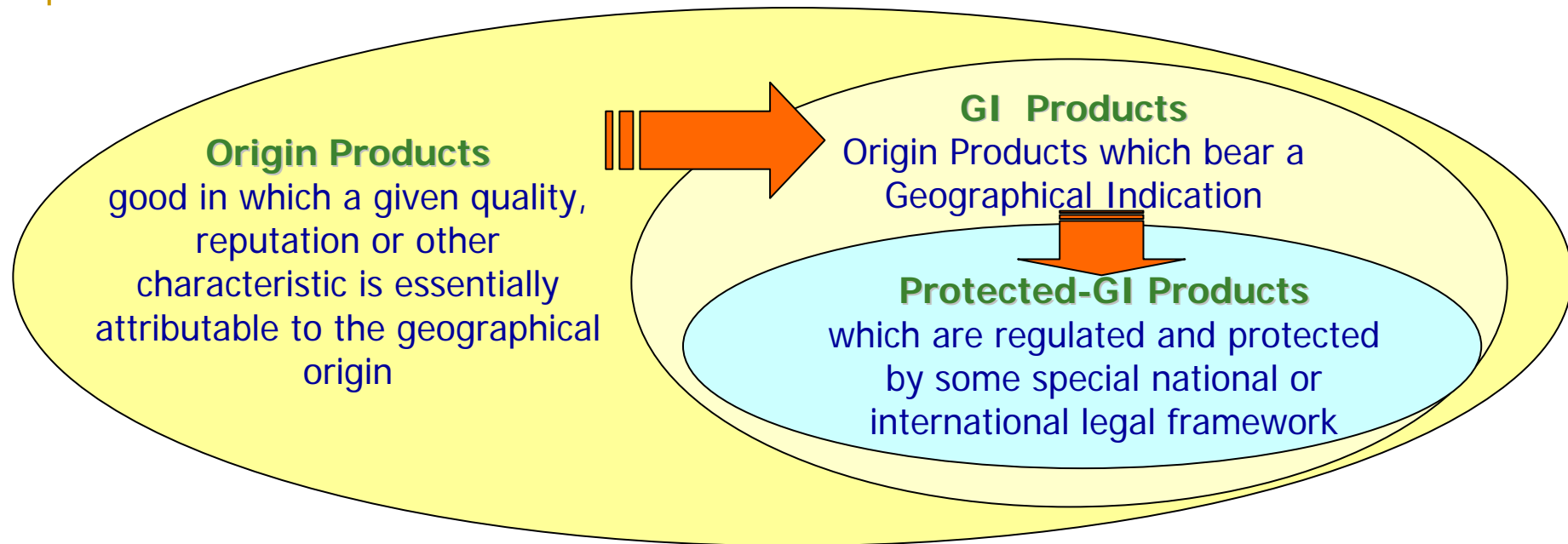
Some premises and "caveat"

- ❑ Lack of scientific research, lack of OP in some countries where open markets and individualistic and trade-minded attitude in economic behaviour prevailed, or in collective economies
- ❑ Many expectations on positive effects of Origin Products and GI special protection schemes on "welfare"

Structure of the presentation

- ❑ What about the definition of Origin Products and GI products?
- ❑ OPs in a globalized agro-food system: main stakes and trends.
- ❑ OPs contributions to supply-chain, rural development, environment and consumers/citizens.
- ❑ Focus on GI special protection schemes effects

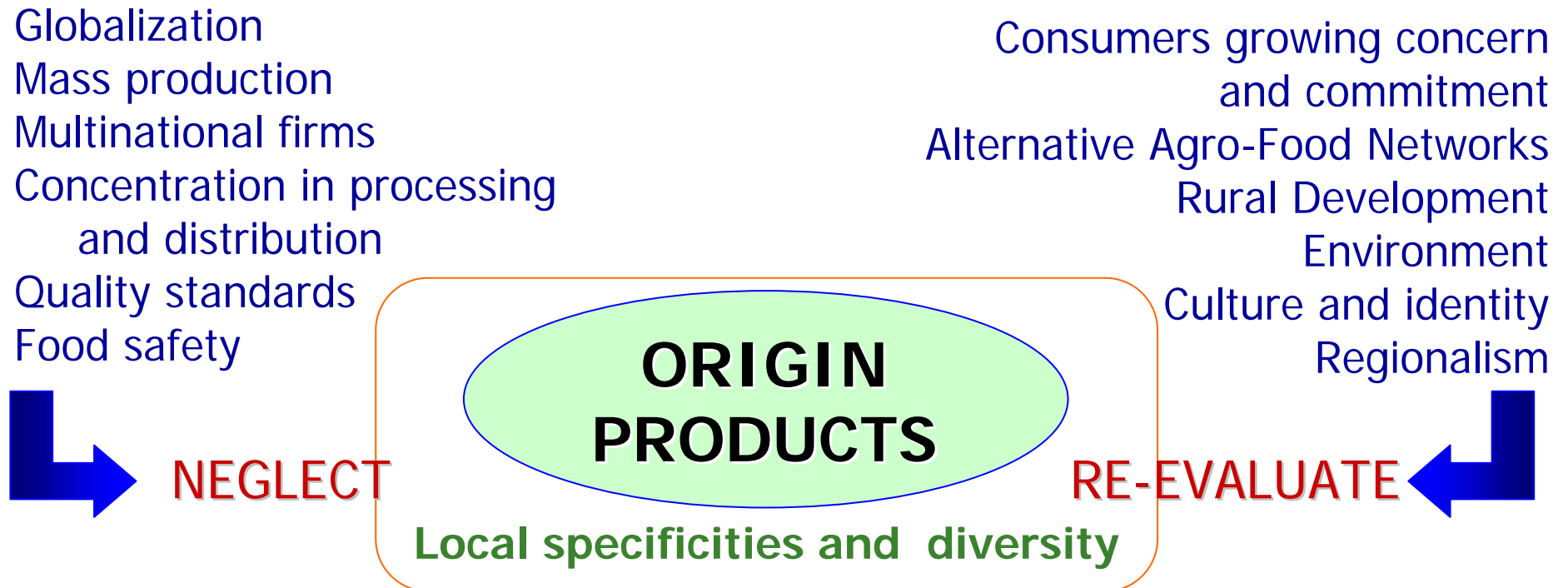
(4) Origin Products and GI products



- ❑ Many words, many meanings (TRIPS, local, regional, craft, family-farm, traditional, cultural/ethnic)
- ❑ **Origin** as a constructed phenomenon. External influences, population movements, socio-economic and institutional influences which shape their characters and nature
- ❑ OP, GI, Protected GI implies a **transformative path** which changes the very nature of the product and its system

(5) OPs in a globalized agro-food system

Contradictory and competing signals over the future of OPs



- Co-operation and conflicts between the two stylized models.
- Growing use of geographical names (*halo country effects*).
- The role of public policies

Ideal Origin Products versus etherogeneity of Origin Products

(6) OP and GI SPS effects: general issues

- ❑ The OP systems have *per se* some effects on different aspects of economy and local society, as well as any other economic system, with some specificities.
- ❑ In the next slides we will discuss some critical points for the evaluation of the effects of OP systems, with a special focus on SP Schemes close to the EU (PDO-PGI) one
- ❑ Recognized GIs on the basis of a Special Protection Scheme can be analysed as the result of a process (the above mentioned “transformative path”) that deeply involves the actors of the OP system
- ❑ This process intervene on the OP system and may modify the typology, intensity and directions of the “contributions”.

(7.a) Origin Products and Consumers

Basic statements:

- ❑ General interest in Origin Products is growing amongst consumers, albeit from different base levels and with variations according to the country, the profile of consumers, the category of products
- ❑ Much is still unknown about this topic. Most of studies refers to Europe

Main contributions to Consumers lives and interests

- ❑ Different profiles of consumers involved (attitudes, psychographics or values rather than socio-demographic criteria of segmentation) ...
- ❑ ... then very different meanings and types of contributions: from habitual activity to feelings of belonging, culture, family or holidays, expression of taste, means of supporting types of agriculture
- ❑ Consumers are active co-creators of symbolic meanings for OPs

(7.b) SP Schemes and Consumers

Are GI special protection schemes valuable to consumers?

□ Different meanings according to different behaviours

- Official GI labels are not perceived *per se* as a quality attribute ...
- Ethnocentric → GI label give a simple information on origin
- Cognitive → GI label is used as a quality cue simplifying the decision-making process
- Affective - Emotional → GI label can give “industrialised” and “globalised” identity to the product, cutting down consumer interest

□ Main consumer-related challenges

- Official GI labels are competing with other “signs” (from consortia and firms trademarks to direct knowledge) → *which differences with regard to consumer guarantees and to OP firms and production system?*
- ‘Credibility gap’ in what official GI labels certify for consumers: what do GI official labels really authenticate in addition to “origin”? Production method, health, safety, animal welfare, environmental protection, effects on rural development ... ???

(8.a) Origin Products and Supply chains

Basic statements:

- Peculiarities in structures, organization and dynamics of production systems (SYAL, agro-food districts)
- Collective dimension, coming from sharing of collective resources

Main contributions to Supply chains

- Opportunities for differentiation, in particular for SMEs
- Support to local agriculture
- Resistance of traditional food systems, artisanal methods, ...
- Territorialised economic effects (added value, employment, ...)

Main challenges

- Opportunistic and unfair behaviours (external but also internal to the "original" area)
- Difficult access to markets (small firms, small product volumes, non-standardized products, marketing competencies ...)

(8.b) SP Schemes and Supply chains

Are Origin Products effects strengthened by SP Schemes?
GI SP Schemes induce two main transformations

From “domestic” to “industrial-
formalised” conventions

Definition (re-definition) of
property rights on the name (GI)



Main possible consequences:



- Transformation of the “nature” of the product
- Easier access to new (modern) distribution channels
- Certification costs, and other typologies of (new) costs
- (undesired) exclusion effects (products – firms – territories)
- Enhancement of big firms’ role (also non local)
- ...
- Control of unfair behaviours
- Valorisation of endogenous resources
- Re-localisation of the economic activity – economic value
- New actors’ networks and new equilibriums
- Incentive to collective organisation and valorisation initiatives
- (desired) exclusion effects (products – firms – territories)
- ...

Many effects of SP Schemes, differently evaluated by different actors

(9.a) Origin Products and Rural Development

Basic statements:

- ❑ OPs exert effects besides the supply chain, in the “rural area”: economic effects, but not only ...
- ❑ Very different meanings of “rural development” → many Reports stress “economic diversification”, “endogenous” and “sustainable”

Main contributions to Rural Development

- ❑ Creating – strengthening social and cultural capital
- ❑ Social features of OP systems: small farms and firms, keeping traditional production methods, helping economic and social life in marginal areas
- ❑ Extended territorial valorisation strategies (links with other rural goods and services, baskets of goods, integrated approaches)

Main challenges

- ❑ Many actors → different (divergent) aims and strategies → possible conflicts

(9.b) SP Schemes and Rural Development

SP Schemes can exert effects in two directions:

Strengthening OP supply-chains inducing trickle-down effects

- *Qualitative* aspects of supply chain development (eg small farmers, marginal farmers ...)
- Activation effects on downstream and upstream activities
- More incomes, employment → social life in rural areas, less depopulation, ...
- ...

Wider effects on rural development economy and dynamics

- Empowering local actors
- Strengthening identities and culture
- Promoting “local alliances”
- Possible conflicts in the local area, (ex. Code of practices definition)
- Possible exclusion effects
- Need for integration with other initiatives → ***other public policies***



The central point is how the process towards GI protection Scheme is carried out and which valorisation strategies are built upon it

(10.a) Origin Products and the Environment

Basic statements:

- ❑ By their nature (*see OP definition*), OPs are more linked than other products with local (natural and man-made) resources

Main contributions to the Environment

- ❑ Biodiversity → traditional races/varieties, and/or keeping traditional natural ecosystems (as mountain pastures)
- ❑ Land use (soil quality, landscape, water ...)
- ❑ Low intensity farming systems

Main challenges

- ❑ OP valorisation can induce risks of over-exploitation of local specific resources

(10.b) SP Schemes and the Environment

SP Schemes can exert two types of effects

The remuneration effect:

Can the market remunerate the specific resources and traditional production methods?

- SP Schemes can differentiate the product and improve its valorisation on the market ...
- ... and guarantee the fall-out of positive effects in the local area
- This can support the renewal of specific local resources, or induce as well local firms to abandon “specific practices”

The preservation effect:

Can SP Schemes favour the establishment of rules able to preserve local specific resources?

- Role of Code of practice in the codification of rules (and external impacts of production process)
- GI rules are context-specific (not general as organic agriculture rules)
- Possible negative effects from standardisation in the local area



Can the burden of the preservation of local ecological system be charged only on GI producers (by complying with the Code of practice)?

Conclusions 1: Empirical Evidences

- There is a great **diversity** of OP systems, and also of SP Schemes → *great diversity of effects*
- There is a **lack** of empirical, systematic and methodologically comparable **researches**

On the basis of empirical evidences collected in WP2, the real effects of SP Schemes depend on many elements concerning different phases of the valorisation process:

- OP starting situation (*system and actors*)
- + "Quality" of the building process of the SP Scheme
- + Code of practice
- + Management organisation and choices
- + ...

To improve the positive effects, there is a strong need for a **governance** of the "recognition process" and of the "management system" of Origin Products ...

Conclusions 2: Methodological Issues

➤ Which type of effects have to be taken in account?

- ✓ Not only aggregate effects (country level, OP level), but also:
 - Distributive effects inside the OP system (among different types of actors ...)
 - Effects among territories (less and more developed, marginal, ...)
- ✓ Not only supply chain effects but also territorial effects *latu sensu*
- ✓ Not only strictly "economic" effects but also social, cultural, environmental effects → *need for interdisciplinary approaches*

➤ The great diversity of the effects and of the actors involved in the OP systems raises many relevant questions:

- ✓ How to set the "presence" and the "sign" of the effects generated by SP Schemes? Diachronic (before-after) and synchronic (with-without) approaches; in general, the "dynamic" character is very relevant
- ✓ Who will evaluate the effects? (individuals or collective, farmers or processors or scientists, local or regional/national public administrations ...)
- ✓ In the light of which principles, in the light of which (individual or collective) aims? (economic, environment, equity, sustainability, ...)



Thank you.

