



# SINER-GI project

## Montpellier Plenary meeting

### 6 – 7 September 2006

***Report 3 : main findings from  
workpackage 3 “conceptual synthesis”***

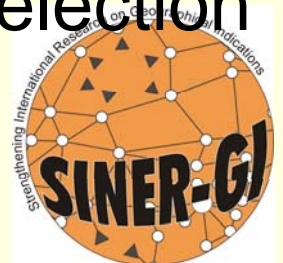
*B. Sylvander and G. Allaire*

*(P1 - INRA – Toulouse)*

# The WP3 report (D3)

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- To be delivered month 17 (october)
- WP3 is a synthesis of the :
  - WP1 report (D1) : E. Thevenod-Mottet (Agridea),
  - WP2 report (D2) : G. Belletti and A. Marescotti (University of Firenze), with G. Giraud (Enitac), A. Tregear (University of Edimburg) and S. Reviron (Agridea)
- Base for the WP4 report (case study selection process and methodology)



# Summary of the presentation

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- Introduction
- 1. Overall context
- 2. Definitions
- 3. Diversity of GIs' systems and GIs' protection schemes
  - a. Product and product networks
  - b. Market rules and markets' patterns
  - c. Typology of the GIs systems
  - d. Polity and policy networks
- 4. Cases study selection and Success factors
- Conclusion



# The objectives of WP3

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- *1. Scientific elaboration of the GIs transferability conditions and of a comprehensive analytical grid.*
- *2. Characterisation of the diversity of GIs situations and of GIs impacts and identification of theoretically grounded success differentiation factors.*
- *3. Building indicators for monitoring and measuring impact of GIs and evaluating their conditions of success.*



# Transferability issue

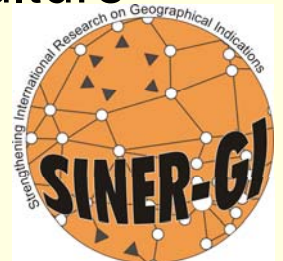
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- **Applied to GIs : misleading** notion (“cut and paste” process ?)
- D1 and D2 account for the **great diversity** of products, markets and institutional and legal frameworks.
- **Diverse interpretations** of the legal provisions around the world
- **Contradictory interests and conflicting standpoints** in the international negotiations
- GIs definitions are **likely to be diverging** in the future, according to the type of “**forum**” to which they refers.
- → The “concept of GI” may become meaningless ?
- → The GI forum has to **become attractive** on the forum shopping market. How ?
- → But the “**knowledge / technological transfer**” of tools is still an important economic issue

# 1. Overall context

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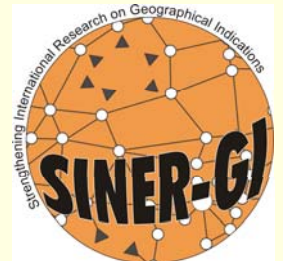
- Intellectual property rights (IPRs), Standard Setting Organisations (SSOs), “forums” : play **news and important roles in market regulation** under a new international trade governance (or regime)
- Globalization : changes within the world’s economies.
- Trends in several interlinked domains :
  - Citizens as informed consumers, demanding variety
  - Markets standards et commoditisation of standards
  - State failures (in providing variety) and weakening of states
  - Dominance of neo-liberalism conceptions
  - Shifts in public concerns and funding of agriculture production and rural development.



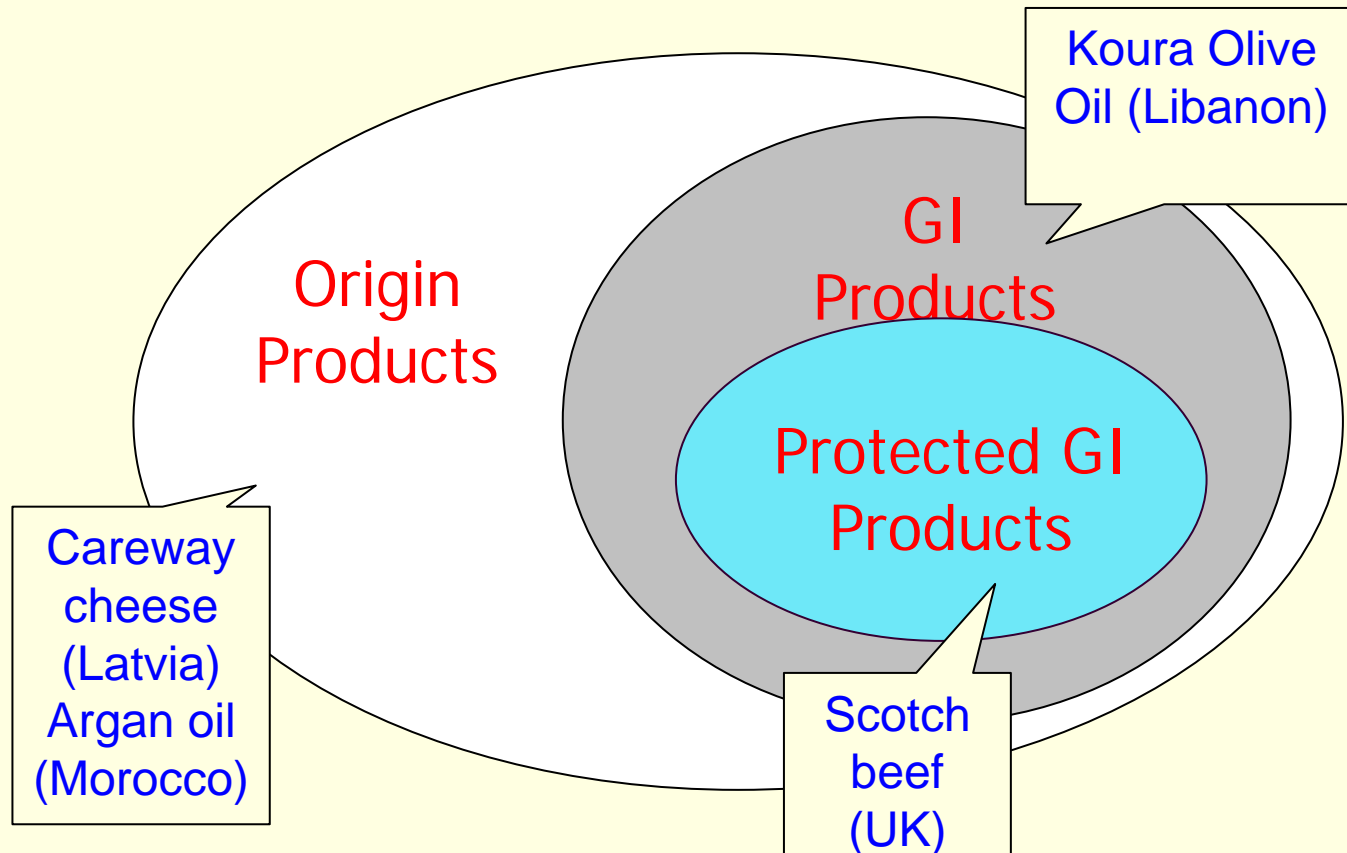
## 2. Definitions

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- *“Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.”*
  - So there are :
    - A pragmatic issue : which types of goods are concerned
    - An institutional issue : which types of identifiers are concerned



## 2. Definitions (recall)

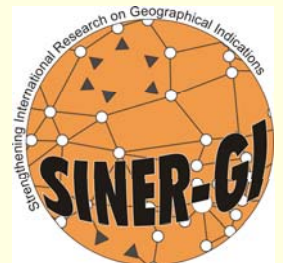




# 3. Diversity of the OP/GI systems

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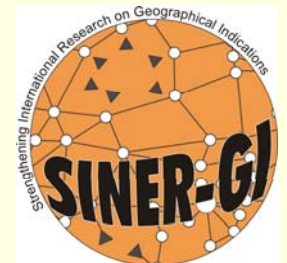
- Product and actor's network
  - The governance issue
- Market patterns and market rules
  - The scaling up issue
- Policies and public action instruments
  - The protection / support issues



# a. Product and actors' networks

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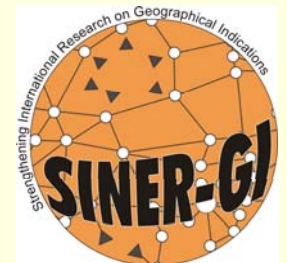
- Diversity of **products** with a geographical identifier, within the frame of the global quality economy
- Diversity of **initiators / stakeholders** and their **motives**
- Diversity of **organisations** and **governance forms**



# Diversity of products with a geographical indication as identifier, within the frame of the global quality economy (D2)

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- TMP, CTMP, PDOP, PGIP, GIP (product + identifier)
- Organic products (product + identifier)
- Fair trade (product + identifier)
- Farmhouse products (producer + product + identifier)
- Handicraft products (producer + product + identifier)
- Direct sales products (producer + product)
- Local products (producer + product)
- Etc..



# Initiators / stakeholders motives

- Recover the use of usurped names (Charlevoix Lamb, Melton Mowbray pork pies)
- Improve the access to markets (especially export markets) (Tequila)
- Preserve the biodiversity and fight against biopiracy (India)
- Protect the traditional know how (Fin gras, F ; Argan oil, Morocco)
- Support collective development initiatives (Sotol, Mexico)

## Other stakes can be mentioned :

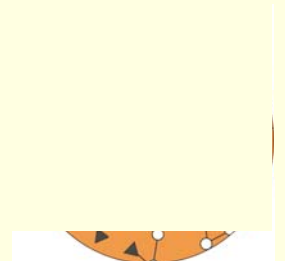
- Better regulate market fluctuations, through product differentiation and market segmentation on the domestic and international markets as well (tequila ?)
- Better implement the overall market rules (labelling, fight against fraud and counterfeiting, sanitary standards, traceability, ...)
- Support individual (industrial) strategies...(Charanda, Mexico)



# Initiators / stakeholders motives

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- Their natures are diverse
  - Producers (most of the european cases)
  - Interprofessionnal bodies (most of the european cases)
  - Governments (Mexico, Greece, ..)
  - Consumers
  - Others



# Market structures and governance

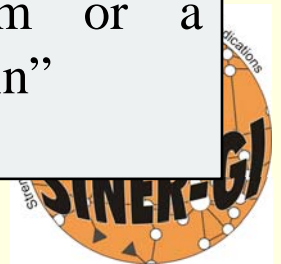
- Many different market structures
  - Single firm : (*Zagora apple, laguiole*)
  - Monopoly with fringes : (*Roquefort, crottin de chavignoles*)
  - Oligopoly : (*Beaufort*)
  - Scattered structure (*Parmiggiano reggiano, It*)
- Several governance forms
  - Corporate governance : single firm, channel captain
  - Clubs (collective marks, certain CTM ?)
  - Interprofessional bodies / unions
    - Weak (*Cantal, F*)
    - Strong (*Comté, F*)



# Three theoretical governance forms

*(Dolphins, 2004)*

	Market features	Decision making
<b>"Territorial governance"</b> <i>(Charlevoix lamb, Ca)</i>	Local markets and networks	Main decision makers are supported by local institutions and share a common interest with local actors
<b>"Sectoral governance"</b> <i>(Scotch beef, UK)</i>	Global market rules	Collective body (any kind of "filère coordination") manage part of the decisions
<b>"Corporate governance"</b> <i>(Zagora apple, Gr)</i>	Global market rules	A single firm or a "channel captain"



## b. Market rules and market configurations

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- **“Market liberalization” not completed :**
  - IPR, investment provisions, workforce transfers, agricultural policies, trade barriers, cultural goods, etc.
  - Free trade areas ?
  - Implementation ?
  - Still areas outside the markets
  - WTO Memberships
  - Wars

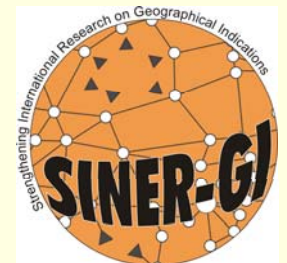




# States / markets

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- Neo-liberalism and State's decreasing
- Private sectors taking over public services ?
- Emergence and development of a mix of **private / public standards** (environment, fair trade, GIs, etc.)
- Institutionnal **forums** and **Standard Setting Organisations** (SSO)
- **Forum shopping** : ability of the actors to resort to the market for standards



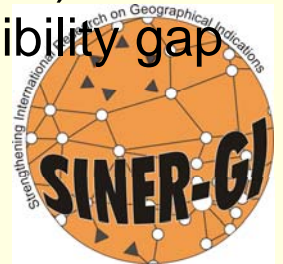
# Consumers / buyers

- Many studies concern a special product, a special region or a special distribution channel → generalisation difficult to produce
- Wines, cheeses, olive oils, fresh and processed meat are the most analysed items.
- Sociological profile of consumers : GI products' consumption concerns
  - mostly the highest incomes (urban connoisseurs)
  - and also the lowest incomes, when purchasing in the production region (consumers familiar with the product).
- General interest for GI products growing,
  - GI may be synonymous with quality and traceability
  - GI is bearing references to culture, culinary habits, tradition, heritage from previous generations, pride and feeling of belonging, etc..).
  - Increasing importance of the place products
  - Recent sanitary crisis enhance the interest for origin as consumer reassurance
  - The context of consumption is also playing a crucial role, but it seems quite difficult to identify a typical "GI purchasing customer".



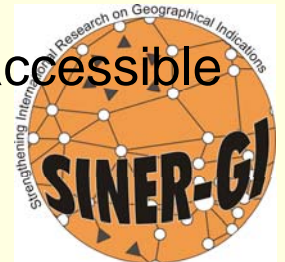
# Special protection schemes and consumers

- The GI identifier : **decision making tool** for many consumers, as they have a perception of enhanced quality, they valorise the guarantee of origin
- **Willingness to pay** may be fairly high in some cases
- Weak spontaneous recognition of the sign, even in Italy and France, where those signs are old.
- They may appear weaker than the private brand
- When combined with private brand, their value may be higher
- The content of the GIs' message : appears quite vague (related to sensory quality, sanitary quality, health, tradition, small scale, etc.. )
- In some not frequent cases : related to public goods (as environment, landscapes, rural development, etc.), while the reality cannot be verified by the buyers (credence goods)
- Globally, the research put into evidence a kind of **credibility gap** attached to the GIs' message



# Are OP/GIs sectors mainstreaming ?

- Market structures are quite diverse in the GI sectors, but :
- Are GIs sectors mainstreaming ?
  - Attractivity for GI products is high
  - Industrial firms and small holders operating on segmented markets : weak competition
  - They may be operating on same markets :
    - → **Problems**
      - Trademarks not always registered, usurpations / imitations, etc.
      - Necessity of knowledge transfer, not easily accessible



# The scaling up issue

- Globalization and neo-liberalism lead to open market where competition is stronger (example : the wine market)
- All OP/GI products initiatives facing sooner or later a strategic question, summarized as the “*scaling up*” issue.
  - When growing, most of the GI producers have to comply with the generic market standards (sanitary standards, labeling, traceability, generic quality grading, more environmentally friendly production modes, etc.).
  - Standards requested by the supermarkets.
  - Larger firms (not necessarily specialized in GIs) are generally more able to meet those requirements than the smaller ones (often specialized).
  - A strategic turn for many specialized firms.
    - Sometimes specialized supply chains manage it well
    - Sometimes, it represents a serious threat and the scaling up must be carefully designed.



Globalization and  
neoliberalism

Scaling up issue

Specific Strategy  
Specific knowledge

Generic strategy  
Generic knowledge

Radical marketing,  
consumer (client)  
knowledge, loyalty,  
community supported  
agriculture

Mainstream marketing  
Comply with the  
mainstream's market  
rules : opportunities and  
threats

Novel or mature systems ?



## c. Typology of the OP/GI systems

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- “A **GI System** is a organisation of actors’ networks (privately or cooperatively owned), involving several types of stakeholders, including producers and consumers, which aims to improve the strategic marketing position of the GIs products by adding value to the a specific raw product through processing or marketing”
- **Main variable** : generic / specific system
- **Second possible variable** : novel / mature system ? **Not decided yet**



# A typology based on genericity

	<b>Resources</b>	<b>Types of markets and marketing tools</b>
<b>Generic system</b>	Generic knowledge : general standards,	General market, supermarkets, exports and long distance sales,
<b>Specific system</b>	Cultural diversity, tradition, consumer knowledge and familiarity, loyalty and interpersonal links	Direct sales, “radical marketing”, community supported agriculture (box schemes), etc.



## d. Policies and instruments

- Four public justifications for GI protection and promotion
  - 1. Organisation of the competition
  - 2. Agricultural market's control
  - 3. Rural /local / regional development
  - 4. Resources preservation (natural and cultural resources)
- Differences in the history and among the national contexts

*Sylvander et al. 2005, 2006*



# Two variables for the policies

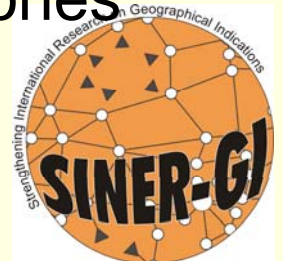
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- 1. « Kind and level » of the protection schemes
- 2. Other policy support




# A typology for the GI protection schemes (D1)

- From prevention and repression of misleading or unfair use, with an enforcement on private initiative → to definition of right holders and public enforcement
- From TM → to protected and registered GIs, through Certification Trademarks and weak GIs
- From freedom of packaging and labelling → to requirements on those items
- From wines and spirits → to all kinds of products
- From juridical decisions → to administrative ones



# From permissive protection schemes to prescriptive ones (D1)

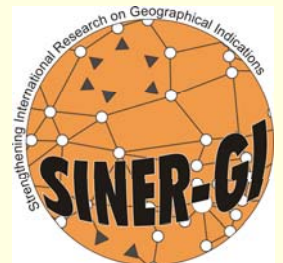
Permissive scheme							Prescriptive scheme
Prevention and repression of misleading or unfair use - Enforcement mainly on private initiative				Definition of right holders and public enforcement			
Individual trademarks	Collective / certification marks	Definition of GIs when a conflict occurs	Definition of GIs by regulations	Registered GIs (weak requirements on quality)	Registered GIs with general requirements on quality	Registered GIs with special requirements (tradition, terroir...)	
Judicial decisions			Purely administrative rules		Initiative from producers in relation with public policies		
Wines		Agro-food products			All kind of products		



# Refine this variable ? (debate of this morning)

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- How to make this variable more dynamic ?
  - New products to come ?
  - New legal frames and new institutions ?
  - Frames which move fast / frames which move slowly ?



# Other policy support

- Literature shows that **protection policy cannot in itself account for OP/GI supply chains' development**. Other crucial issues are playing an active role (if consistent with GIs) :
  - Agricultural policy (if relevant)
  - Competition / labelling / consumer policies
  - Rural / local Development policy
  - Environment, conservation and safety policies
  - Research policy
- → **Weak support / strong support**



# 4. The analytical grid

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# A theoretical basis for the case study selection (example, to be refined)

		Generic		Specific	
		Novel (?)	Mature (?)	Novel (?)	Mature (?)
<b>Permissive scheme (slow ?)</b> <b>Heterodoxy ?</b> <b>Consumer ?</b>	Weak public support	1		2	
	Strong public support		3	4	
<b>Prescriptive scheme (fast ?)</b> <b>Orthodoxy ?</b> <b>Producer ?</b>	Weak public support	5			6
	Strong public support			7	





# Success factors ?

- « Success » **does't mean much** at a general level (taking in consideration the great observed diversity of the OP/GIs' systems and the GIs' protection schemes)
- → Success objectives / factors / criteria will be different in different OP/GI systems
- → Therefore, we propose to define success with regards to :
  - The **internal goals** of the studied OP/GIs' systems
  - The contribution to **the three dimensions of sustainability** :
    - Economic efficiency
    - Social equity
    - Environmental integrity
- **Methodological problems** for assessing development impacts (D2)



# D2 : impacts of the OP/GI systems on sustainability (1/2)

**Economic**

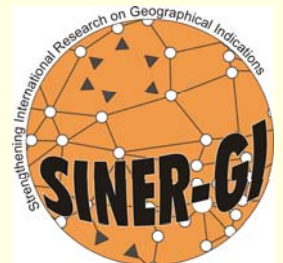
**Rural devlop**

	+	-
	<p>Market regulation (spillover effect)</p> <p>Introduce modern management tools</p> <p>Enhance collective action</p> <p>Makes alternative marketing possible</p> <p>Protect SME</p>	<p>Market effects (<i>Costa Rica coffee</i>)</p> <p>Risk for the added value to be captured by big firms (multiple retailers (<i>Migros/coop CH</i>))</p> <p>Flexibility and innovation problems</p> <p>Exclusion effects (<i>Foie gras, F</i>)</p>
	<p>Promotes local development / networks</p> <p>Enhances multifunctionality</p> <p>Protects / enhances know how, resources, identity</p> <p>Roots activities in the region</p> <p>Maintain SME</p> <p>Keeps added value to producers</p>	<p>Problems with power balance</p> <p>Conflicts between multi-functionality domains</p> <p>Necessity of a critical mass (<i>North UK</i>)</p> <p>Exclusion effects</p>

# D2 : impacts of the OP/GI systems on sustainability (2/2)

Environment

	+	-
	<p>Codes of practices tool can be used for that purpose</p> <p>Local genetic resources → biodiversity</p> <p>Positive image can be exploited for environmental issues</p>	<p><i>Generally</i> : nothing in the regulations about environment</p> <p>Some derive effects (in some cases, economic growth takes precedence over environment) (<i>Roibos tea</i>)</p>



# Case study selection and success factors

	1	2	3	4	5	6	7
OP/GI systems							
Specific objectives							
Sustainability dimensions							
Specific Criteria							



# Specific factors of success : *4 examples*

Description of the OP/GI system	1	2	3	4
Type	Permissive Strong support Specific Mature	Permissive Weak support Generic Novel	Prescriptive Weak support Generic Mature	Permissive Strong support Generic Novel
Internal Objectives	Local Development	Access to markets and/or regulate the markets	Fight against usurpation	New GI Externalities
Sust. Social	Rural development			Broad local network
Sust. Economic	Remain specific : how ? (radical marketing)	Manage the generic scaling up	Economic Brand policy / collective action / PGI ? CTM ?	Minimal
Sust. Environmt	Minimal	Minimal, fight against derives ?	Minimal, fight against derives ?	Environment : landscapes, IPM

# a. Analytical grid for stakeholders' / actors' success factors

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**3.1. Actors *motivations* : identification of the drivers in GI approaches:**

**3.2. *Relevance* : specific products and relevant markets**

**3.2.1. Codes of practices and quality**

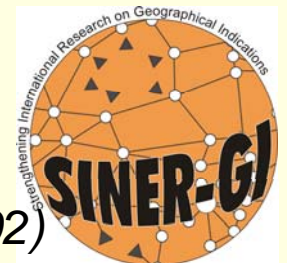
**3.2.2. Market and valorisation**

**3.3. *Coherence of collective action* (coordination / characterisation of GIs arrangements / governance)**

**3.4. *Ability to manage the dynamics***

**3.4.1. manage the scaling up issues**

**3.4.2. manage the flexibility issues**



Adapted from Barjolle & Sylvander (2002)

## b. Analytical grid for relationships between actors and society

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41. The ability of the actors/systems to **networking / negotiation / lobbying on public policies / forum shopping**
42. The actor's / systems' **credibility** (ability to report on the controls)
43. **Accountability** : actors networks' ability to go from own survival to global sustainable development / public action

# c. Analytical grid for public policy evaluation

Relations between →	Stakes / Effects	Stakes / Objectives	Objectives / Means	Means / Results	Objectives / Results	Objectives / Effects
Level ↓						
Society	<i>Impacts (out of the objectives)</i>					
Public action		<i>Pertinence</i>				<i>(expected) Impacts</i>
Evaluation of the public action			<i>Coherence</i>	<i>Efficiency</i>	<i>Effectiveness</i>	





# Evaluation of the GI policy

<b>Requirements on quality</b>	1	2	3	4	5
<b>Involvement of public authorities</b>	1	2	3	4	5
<b>Control/certification</b>	1	2	3	4	5
<b>Organisational strength</b>	1	2	3	4	5
<b>Effectiveness of the protection</b>	1	2	3	4	5
Types of GIs	Type A	Type B	Type C	Type D	
Evaluation (addition of all criteria)	5-10	10-15	15-20	20-25	



# Case study selection and success factors

	1	2	3	4	5	6	7
OP/GI systems							
Specific objectives							
Sustainability dimensions							
<b>Specific Criteria</b>	 <b>Analytical grids</b>						

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Thank you for attention !

