

SINER-GI
**Strengthening International Research on Geographical Indications:
from research foundation to consistent policy**

WP4 REPORTS

D6 – Report on case study methodology
and D7 – Critical check-list for impacts assessment

Task2 – WP4
Months 14-26

Final Version



by: Hielke S. van der Meulen
Rural Sociology Group
Wageningen University

Responsible:

partner n.6: Wageningen University (NL)

Assistants:

partner n.5: University of Newcastle (UK)
partner n.2: CIRAD (FR)

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1. Workpackage information

FROM TECHNICAL ANNEX (ADAPTED)

WP 4 – Selection procedure and Methodology

	WP 4	Start: Month 14				End: Month 26				
Activity type	RTD / Innovation activity									
Participant	INRA	<u>CIRAD</u>	FIRE	AGRI	<u>NEWC</u>	<u>WU</u>	LAT	PARM	ENI	ORI
Person-months	4	<u>2</u>	1	2	<u>1</u>	<u>5</u>	1	1	0.5	0.25

Coordinator: Wageningen University (nr.6)

Assistants: University of Newcastle (nr.5), CIRAD (nr.2)

Inputs:

- WP1 report
- WP2 report
- WP3 report

Obj. 1 : “to gather an up-to-date systematic knowledge on GI legal protection systems, socio-economic aspects, institutional arrangements and levels of protection of GI food used throughout the world” (WP1, WP2, WP3)

Outputs:

- criteria for case selection
- list of selected cases
- operational analytical grid
- case study methodology

Obj. 3: “to design a common analytical framework to analyse, assess and monitor the effectiveness of GIs, considering the different economic, environmental, and social effects of the most relevant types of institutional frameworks” (WP3 and WP4)

Obj. 4: “to design and implement a common monitoring and assessment tool for analysing the conditions of success of GIs, supported by case-studies and practical examples” (WP4, WP6)

Objectives

- 1a Further elaboration and fine-tuning of criteria for case selection.
- 1b Conduction of a theoretically grounded and participatory process for case selection.
- 1c Selection of a representative sample of approximately seven (7) case-studies
2. Adaptation of the WP3 comprehensive analytical grid into an operational grid for field analysis of
 - a) conditions of success and
 - b) impacts of GIs on rural development.

Description of work

1.1 Description case selection

- Preparing carefully the selection of the 7 cases to be studied, based on the main results of previous projects (PDO-PGI supply chains, DOLPHINS, SUS-CHAIN).
- Building of the sample strategy for choosing case studies on three major axes. These axes, aimed at reflecting the great diversity of situations that can be encountered both in developed and developing countries, are:
 - * GI System characteristics: young / old, short / long chains, small / large firms, industrial / artisanal processing, local / national / export market, GI abuse (yes/no; type), regular / occasional consumers, territorial / sectoral / corporate governance, etc.
 - * Institutional context characteristics: governance structure (both local and state level), age of the institutions, purposes (fight against frauds, elaboration of codes of practices, inspection / monitoring), specific historical background for their emergence (sanitary crisis / market crisis / others), etc.
 - * GI regulations characteristics: degree of constraints on production and marketing conditions (high–medium–low), connection to trademarks protection devices, opposition procedure (yes/no), independent expertise (yes/no), accurateness of the inspection organisation (high/medium/low), accreditation of inspection bodies (mandatory or not), integration of the GI regulation in an overall quality signals (yes/no; types), degree of consistency of the regulations (high/medium/low), etc.

According to the course of the research, other criteria may appear during the first task and can be added in this list. For the same reason, other less relevant criteria may be withdrawn from it. The final setting up of the criteria and their implementation are aimed to produce a great diversity of situations to be studied around the world.

1.2 Description methodology

- Analysis of the sample of countries obtained from WP1
- Analysis of the sample of GI systems obtained from WP2
- Building of an operational methodological grid
 - i. In this grid relevant aspects of the grid for rural development impact assessment developed by WU will be integrated, to deepen the analysis of GI impacts.
 - ii. Rural impact assessment comprises micro-economic effects, meso- and macro-economic effects, ecological effects, and socio-cultural effects (preservation of cultural heritage).
 - iii. The socio-economic impact assessment will consider the relative weight of the GI share in the rural economy.

The grid will account for expectable field conditions and data restrictions.

- Development of a survey methodology to measure different types of rural development impacts of GIs, standardised across cases but accounting for regional and cultural differences. Formulation of a generalised check-list of critical data that are needed for making an assessment of different types of impacts. Identification of alternative extrapolation techniques for data collection. Development of parameters and survey techniques to capture less tangible / quantifiable impacts (e.g. social effects, cultural heritage).

1.3 Deliverables & Milestones

- M9 – Proposal of procedure for case selection (month 16)

- M10 – Advise on Case study selection (month 16)
- > D6 - WP4 report containing the case study methodology. It will include the operational analytical grid for assessing the impacts of GIPs & the procedure for case selection procedure and implementation guidelines (month 20).
- M15 – Delivery of D6 (month 20).
- > D7 - Generalised format and check-list of critical data for impacts assessment (month 20).
- M16 – Delivery of D7 (month 20)

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1.4 Anticipating Outputs

WP4, in particular the methodology part, must take into account the results we intend to obtain from the field work, as formulated in WP5, WP 6 and WP7.

From WP5: case study analysis (field work)

- Research on the dynamics, strategies, success factors, and socio-economic impacts in the 7 GI cases, compared to existing knowledge on the European GIs
- Multidisciplinary research at different scale levels
- Historical reconstruction of the development of the GIP system
- Preliminary policy recommendations

Obj. 2: to understand the effects of the different kinds and levels of protection of GIs on economic, social, environmental, cultural and ethical dimensions (WP5)

From WP6: Synthesis and policy implications

- Identification of the effects/impacts (on patrimony, multi-functionality, social economy ...)
- Definition of long-term (baseline) scenarios per case
- Building a typology of GI protection arrangements

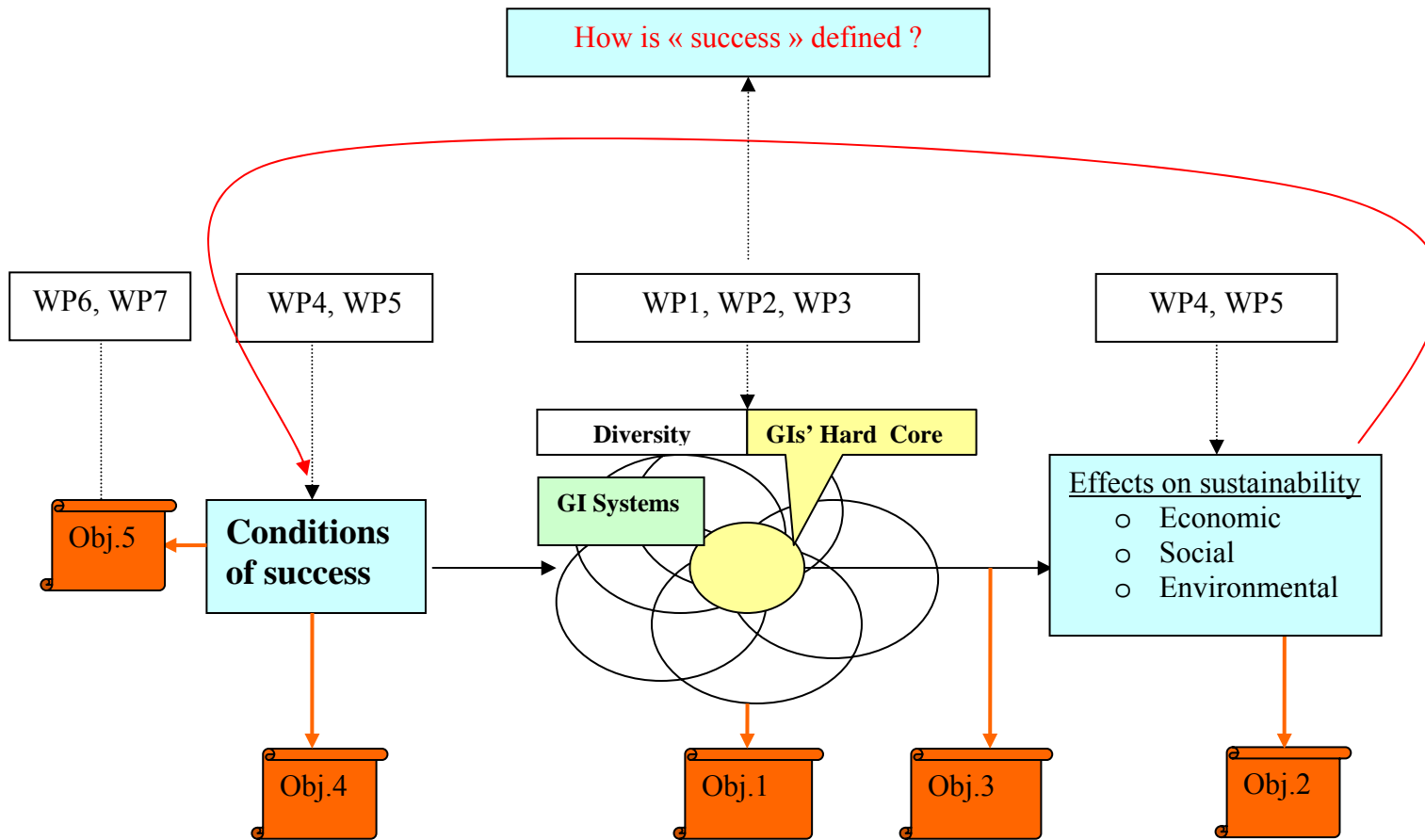
Obj. 4: to design and implement a common monitoring and assessment tool for analysing the conditions of success of GIs, supported by case-studies and practical examples (WP4, WP6)

From WP7: Potential strategies and recommendations

- Identification of context sensitive scenarios of GI evolution
- Identification of alternative strategies and their effects on supply chain and support
- Formulation of scenario-based policy recommendations to optimize GI impacts

Obj. 5: “to provide relevant information and recommendations to policy-makers on whether and how to support GIs through the setting-up a network of researchers, through exchanges of information on research results and meetings (WP7)

Exhibit 1 Relations between the SINER-GI objectives and the workpackages



Source: WP3 draft report (Sylvander & Alaire 2006)

2. Introduction

The methodology for field research is an operational grid that builds on the analytical grids developed in WP3 (Sylvander & Alaire 2006), which in turn are inspired by WP1 (Thévenod-Mottet 2006) and in particular WP2 (Belletti & Maescotti 2006), the selection criteria developed for the electronic Database (100+ cases), and preceding researches on GI products financed by the European Commission (PDO/PGI, DOLPHINS) – www.origin-food.org. Also analytical findings from the EC financed SUS-CHAIN project have been taken into account (Brunori & Wiskerke 2004; Jahn G., S. Peter & K. Knickel 2005).

2.1 Definitions

A geographically indicated (GI) product is defined here as

a food product of which the quality or reputation are essentially attributable to the geographic region or locality from which it originates,

following article 22.1 of in the TRIPS Agreement. A more elaborate definition and explanation is in the WP3 draft report.

A GI-system is defined here as:

the value-creating processes carried out by the actors in the supply chain of the GI product

This definition builds on the definition by Sylvander and Kristenssen (2004), as put forward in the Siner-GI draft WP3 report, which emphasizes the network character of GI systems and the multiplicity of stakeholders involved. The network aspect is important in order to understand the interdependencies of the actors. As to the stakeholders, the definition is narrowed down here to the actions of supply chain actors, for methodological reasons (see below). Theoretically, also the GI product itself and the specific physical means used by the GI system actors can be considered as integral elements of the system, following actor-network theory, which attributes ‘agency’ (capacity to act/influence) to those man-made elements. Latour (2000) calls them ‘actants’. Because this research is concerned with performance, i.e. uses a normative approach, the physical elements can be seen as the (good or not so good) result of previous human actions. On the other hand, the emphasis on process or action should not obscure the fact that a GI system always implies specific assets: human know-how, organizational structures, reputation, and physical means (indeed). The more specific these assets are, the more difficult it is for the actors to change the GI system and its product characteristics.

Note that not the entrepreneurs or firms involved in the GI supply chain as such (farmers, wholesalers, processors, packers, distributors, retailers, consumers) are part of the GI system, it is their *actions* with respect to the GI product; an actor can, for example, also be engaged in activities regarding other, non-GI products.

Supply chain actors are defined as ***actors who make, modify and/or hold title to the physical GI product or its raw material in any stage of the supply chain*** (Van der Meulen 1999, p.15).

Although the definition of GI systems focuses on value-adding action, for methodological and model-making purposes it is necessary to draw a clear line between insiders, those who ‘live’ the system on the one hand, and (relative) outsiders, those who ‘give’ to the system on the other hand. They can be categorized as follows:

- suppliers, who provide the main supply chain actors with the specific or generic

means and services needed in the production process¹

- actors who support the GI system in one way or the other, from local to international level.
- regulating actors, usually public administrators, who are in the position to impose restrictions or demand specific actions, and who may make arrangements in the socio-economic context to stimulate (or inhibit) the GI system in some way.

The latter, i.e. the non-system stakeholders, of course may have a considerable effect on the performance and even structure of a GI system. But their actions are considered here in terms of effecting the GI system, not as being part of it.

An organization or person that exclusively works for the well-functioning of the GI system and is controlled by GI supply chain actors has a special status in the definition. Here it is proposed to be a GI supply chain actor. Even though its actors (usually) do not possess or process the GI product in any stage of the chain, the only interest of the person or organisation is to promote the GI product and/or coordinates other GI system actors, to add value to it, and not to regulate or supply for reasons and interests of its own, external to the GI system.

Whatever the definition, the boundaries of a GI system are rather vague, because the actions and the coherence of the actions are hardly visible. The advantage of studying a GI system (instead of an ordinary supply chain) is that the physical boundaries of the area where the farm fields and processing plants are located are defined. But this should not obscure the underlying, invisible relationships between the actors.

Coherence

In general, going from the production area to the international level and going from primary producer to consumer, the involvement of supply chain actors in the GI system decreases. A specialized producer, for whom the product is only one of the many food items, is more ‘part’ of the GI system than an unspecialized retailer, and will normally get more attention from researchers and policy-makers. On the other hand, however much producers may actually shape (the hardware of) the GI system, by trying new technologies, scaling-up, differentiating etc., they cannot exist without buyers; eventually their demands are determining. For this reason, the field research will give due attention to the non-producers in the GI system.

Using the word system suggests that the value-creating processes of the actors (the producers in the first place) constitute a coherent whole, i.e. that they coordinate their actions not just vertically (as in a classic, Porterian “value system”), but also horizontally (like a district or cluster type of supply chain system). This is not always the case, in particular in situations where GI systems are still young, as in most of the SINER-GI case study countries. Or the collaboration may just concern a small group of producers, initially, forming a coherent ‘pocket’ in an otherwise loose system.

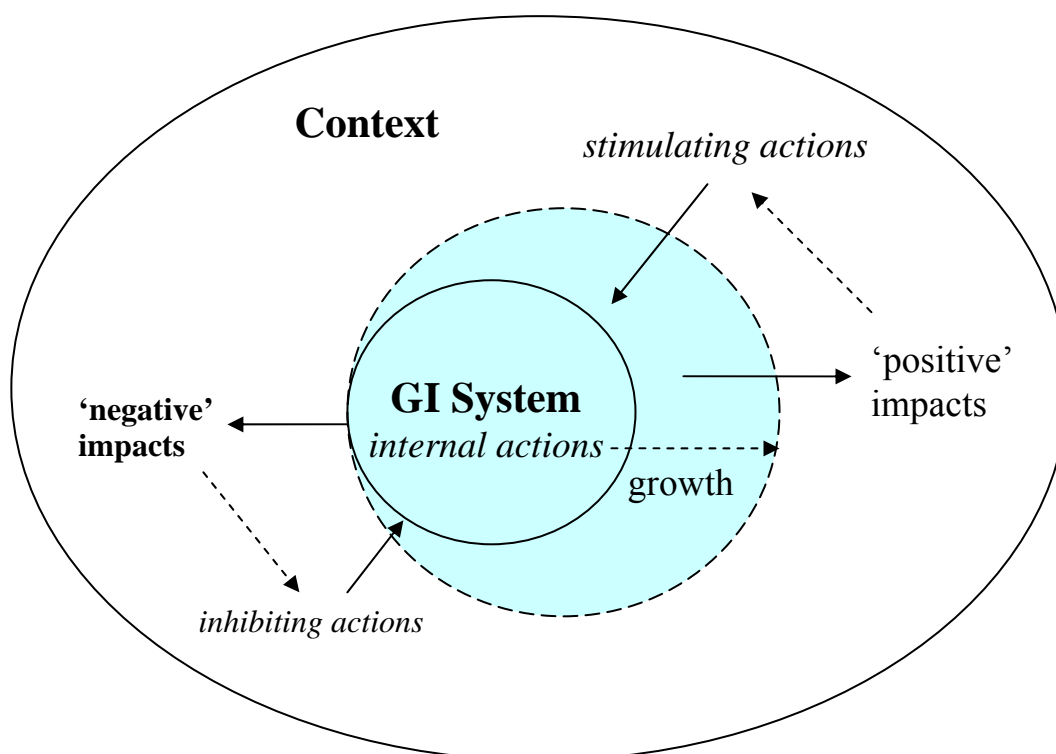
Still, GI system actors may in a more informal and invisible way ‘tune’ their actions and converge towards a common model, in a process of joint learning and mutual copying. Cultural embedding (of production habits, trade relations, eating culture) of the relations may make for some consistency, and thus be a basis for collaboration, either invisible or formally structured. The same holds true for situations, for instance in Africa Sub-Sahara, where local food supply chains are per definition organized along ethnic and family lines, i.e. in relatively small groups with multi-stranded personal relationships (compared to agri-food systems in the Western world).

As a consequence, it is not always possible to identify the unit or the person(s) who determine the main changes in the development of a GI system, although closer observation may reveal some

¹ A distinction is made here between the suppliers of the means of productions, and those who supply the production objects, i.e. the raw material or semi-finished product. The latter are defined as GI systems actors.

informal leaders. (See remarks on “management” in chapter 4).

Exhibit 2 Interaction between GI-System and Context



2.2 impacts and effects

From the above definitions, and from the relationships between the SINER-GI objectives and the work-packages (exhibit 1) a general analytical model for the field research on GI systems can be deduced (exhibit 2).

The lines indicating feedback from the GI system impact to (stimulating or inhibiting) actions from the context are interrupted, because they are not automatic. Of course, GI system actors can anticipate positive and negative impacts and anticipate feedbacks (see below)

Vice versa, stimulating and inhibiting actions are not necessarily intentional; they can emerge for different reasons, and be linked to general context factors (like f.i. the dominance of large agri-food companies in the economy).

GI protection measures, which are central to the SINER-GI research, are considered part of the stimulating actions from the context.

Two basic questions of the SINER-GI research are:

- a. *What have been / are / will be the relative contributions of internal GI system factors and (external) context factors, in particular support efforts and name protection, to the success or failure of the GI system under observation?*

- b. *What has been / is / will be the special contribution / value-added of the GI system to its region and country?*

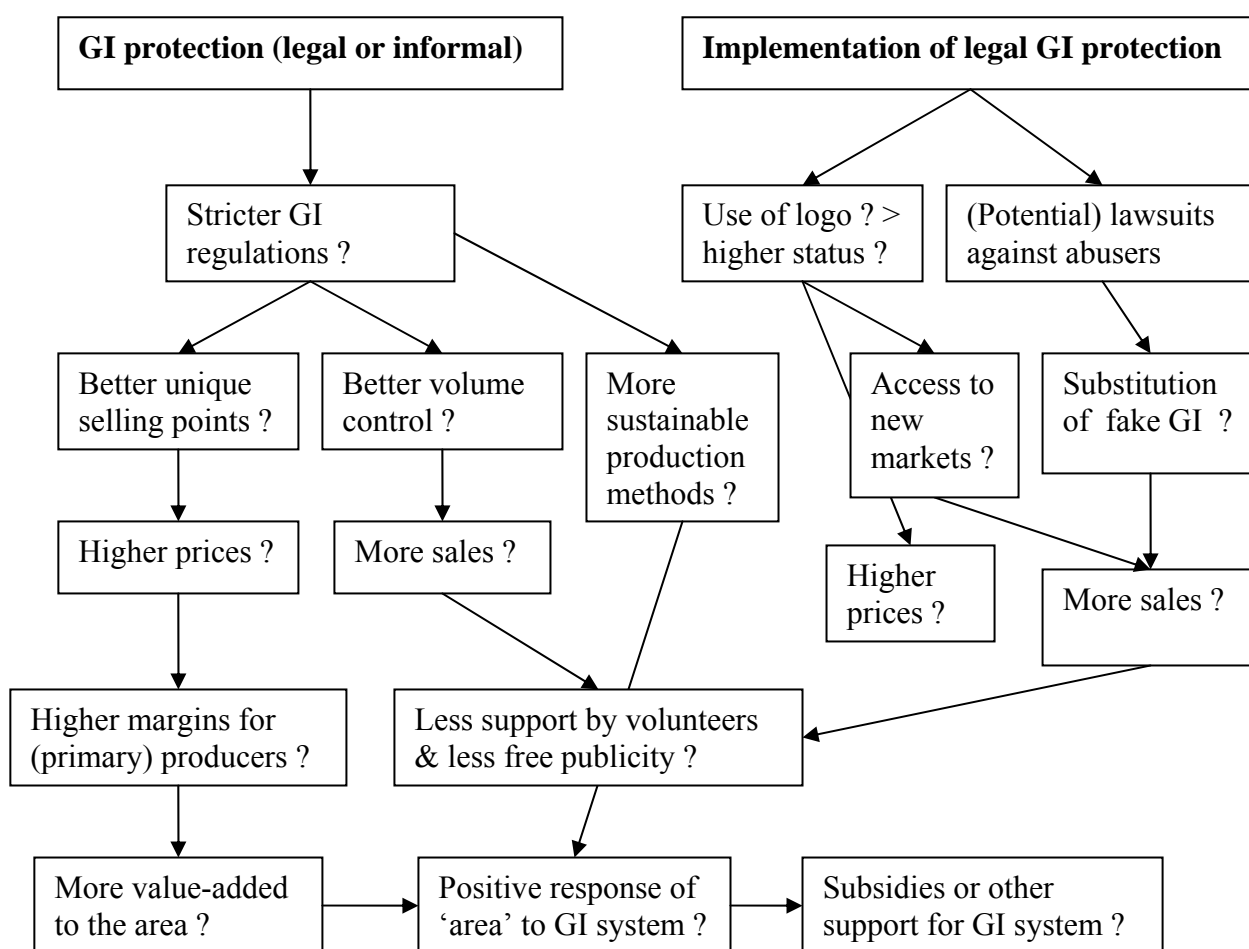
In the end, the research must lead to:

- c. *recommendations to policy makers and public officials who want to protect, support and develop GI production systems in their countries or regions;*
- d. *a refined model for the assessment of the above-mentioned impacts and effects.*

Because of the importance of the effect of GI (name) protection actions on the performance of GI systems in the SINER-GI research, the indirectness of the relationship between an external action upon the GI system and the impact of the GI system on the context (as a cause of the external effect) must be emphasized, as illustrated by the model in Exhibit 3.

This indirectness makes it is extremely hard to disentangle causes and effects. As will be explained below, emphasis in the research will be put on key informants motives, goals and opinions.

Exhibit 3



The Exhibit shows how difficult it is to measure the effect of external actions. It re-emphasizes that the GI system has a dynamic of its own (irrespective of whether its supply chain actors are organized or not). GI system actors are in a constant learning process, making the GI system follow

a specific ‘trajectory’. For instance, if GI systems actors have caused effects that are perceived as negative by actors in the context – processors outside the production area may feel excluded or out-competed, for instance – and some feedback will take place. The lobby of these outsiders may lead a public administration to interfere and to legally enlarge the production area, which in turn may lead to overproduction and weakening of the original producers association etc., which in turn may cause internal specialization towards even higher product typicity by at least some of the producers, or a search for complementary incomes from tourism and education services etc. Thus, an inhibiting action from the context can at the same time be a trigger towards a healthy internal change. Reversely, a seemingly successful strategy and a seemingly well-performing GI system may be at the brink of a collapse, because the actors have ‘fallen asleep’. Therefore, it is hard to qualify actions inside and outside the GI systems as positive or negative. A further reason is that it is hard to predict future circumstances; will the investments in a professional consortium of farmers and processors, for instance, really pay off, or will it make the system too rigid to react to unexpected competition from emerging quality-oriented producers?

Of course, such uncertainties apply to all business, but it may be assumed that GI systems in general have appealing histories and can be protected well from competitors, and therefore may be in a better position, strategically, to yield fair and stable incomes in the long term, and for that reason at the same time be less exploitative of local resources (on which it depends so much) than many conventional food production systems. It may explain the on-going increase in the number of GI-based production systems all over the world and a general favourable attitude of people towards such high-identity products (Josling 2006).

Because of the complexity of GI system assessment, the methodology will only in part focus on ‘hard’ indicators (to which the above questions refer), and leave ample room for the description and explanation of stakeholders goals, motives, behaviour and the mechanisms through which they try to protect and support GI systems (successfully or not).

A second reason for the difficulty to measure the effects of external action on GI system performance is caused by the phenomenon of co-evolution of GI system and context. This is particularly relevant in the SINER-GI research project, since many non-EU countries are dealing with their first GI protection efforts. Thus, the GI system has an effect on its context; legislation in the public and private context is co-evolving with greater organization and institutionalization of the GI system.. The co-evolution needs to be well-documented in each case study, so as to arrive at a good understanding of the effects of GI protection efforts by various stakeholders.

2.3 Operationalisation

In chapter 4, factors and indicators for GI system performance assessment are outlined.

In as far as the factors and indicators cannot be used or tested in the case studies, they serve as input for the impact assessment model required by the Technical Annex (see above). It can be usefully applied to high scale levels and over long periods of time, and can be based on simple parameters like increase in volumes, the stability of the increase etc.

Indeed, full operationalization of the model would imply a very thorough and extensive research, far beyond the possibilities of the SINER-GI project. And even if sufficient data were available, the complicated trade-offs between economic profits (NVA, short and long-term), labour satisfaction (internal), chauvinism / identity provision (internal and external), ecological sustainability (external) will be almost impossible to disentangle within the time frame and with the means of this research project.

The consequence is that large part of the field research efforts must be devoted to an indirect assessment of the effects (of factors on GI systems) and impacts (of GI systems on the context), based on the information of key informants. Most if not all of the key informants will hold a stake

in the GI system. They have certain interests, which may vary from a desire for social belonging to the local population (as a reaction to globalization, for instance) and hence the creation of collective action around a GI, or a desire for a David-versus-Goliath feeling (GI versus bulk producers), or dependence on State subsidies etc. Beliefs may vary from “the GI system has a positive impact on the environment” to “more outside regulation is needed for the GI system” etc. Also ‘negative’ perceptions must be considered, like the search for power or social status, leading to personal or sub-group distinction at the expense of outsiders.

The advantage of such a subjective approach is that we can find out what happens back-stage in the case of the design and implementation of legal protection, for instance; one of the conclusions of WP1 was that we lack good data on the precise process of implementation of protection options (Thévenod-Motet 2006).

Taking a positive standpoint, in-depth interviews with key informants (next to gathering hard data) allow to inquire what exactly drives stakeholders, how they organize, and on which information they base their opinions and decisions (see questions chapter 3). WP2 speaks of “social pacts” of producers, consumers, citizens, and public authorities (Belletti & Marescotti 2006, p.18) engaging in GI system development. In other words, instead of looking for hard data to justify outside support and legal protection of GIs, the justification given by stakeholders can be taken for granted and inventorised. One can argue that the increase in size and number of GI systems all over the world apparently makes them attractive to both producers, consumers, and other stakeholders.

In methodological terms this means a shift from a top-down and partially reductionist approach to sustainability (of GI systems) towards a more participatory definition, recognizing people’s broader reference frameworks. The loss of ‘objectivity’, by emphasizing relevance of indicators to stakeholders, on the other hand means a gain in ‘usability’ (Reed et al. 2001) because it increases understanding.

However, a mere inventory of motives, opinions and actions is not enough either. It is necessary to have a critical view and understand how actors motivate their opinions and actions under circumstances of “bounded rationality” (Simon 1957), how they create an image of reality that fits their own interests and beliefs. Therefore, researchers must have a good basic knowledge of the GI system before starting interviews. Only then can discrepancies in information be identified and explained.

Such a research, balancing between hard data and subjective data, can reveal important clues to the understanding of GI system development in different contexts, and suggestions for improving it.

Normative approach

Notwithstanding the need for gathering subjective information in the field research, a normative, performance oriented approach is proposed here, in order to focus the interviews and the researchers’ own observations, as a strategic guideline. Otherwise, the field research risks to yield a lot of descriptive elements which, when written down, implicitly are qualified rated as positive or negative. So, if we make the basic assumption that it is both possible and desirable (beyond the interests of the economic stakeholders themselves) to develop more and stronger GI systems, the case can be screened for actions and factors which contribute to that goal and for the outcomes in terms of internal and external impact (either perceived or measured).

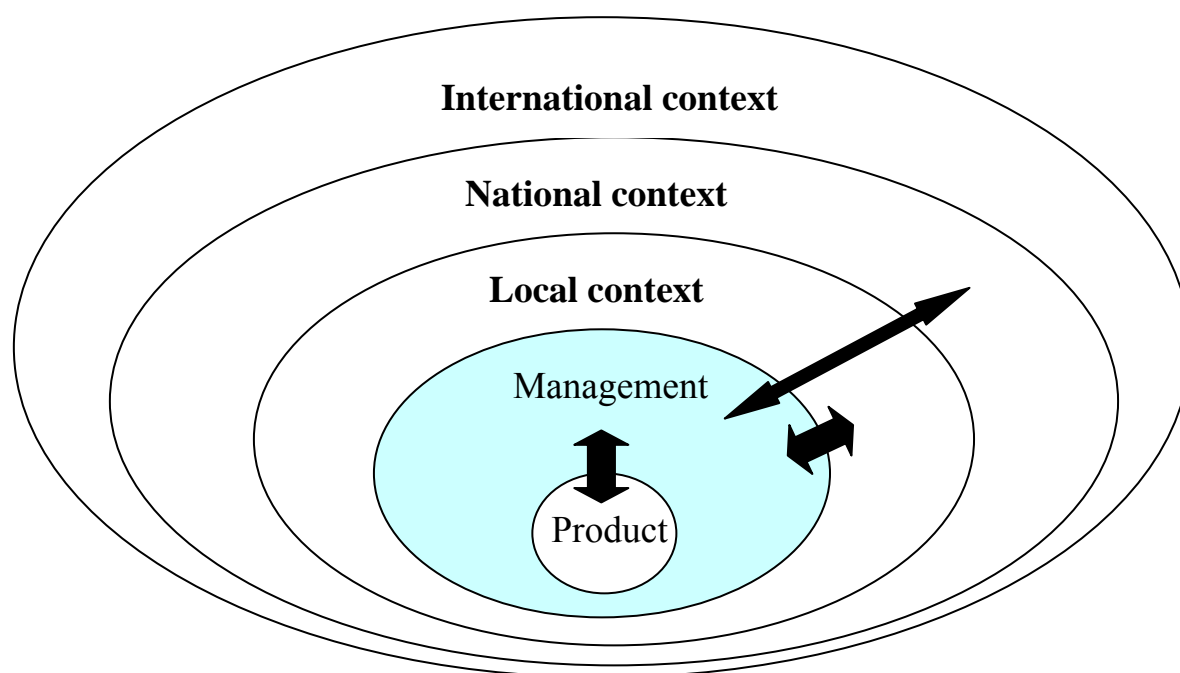
Roughly, the performance of a GI system can be assessed at two levels: the GI product (linked to other physical elements in the production and distribution processes) and the management of the GI system. The word management is preferred here to organisation or governance, to keep the methodology more explicitly performance oriented. For analytical and descriptive purposes, after data collection, other terms may be preferred.

Of course, in most cases there is no explicit management board. So management performance refers

to the abilities of individual supply chain actors as well as those of leading persons, vanguard firms, and GI system specific organizations and institutions (see below).

The GI system functions in a context that gives positive and negative incentives. This context can only to a limited extent be changed by the GI system. The degree of change and the type of change depend on the aggregation level: local, regional, national, international. In general, the higher the scale level the harder it is to influence, for instance world market prices versus prices of local direct sales (even though they are interlinked). Also are the relationships more specific at higher scale levels, i.e. relationships at lower scale levels tend to be broader.

Exhibit 4 Scale levels GI system assessment



In general, each aggregation level can be more or less favourable to the survival and development of the GI system. Moreover, the levels interact with each other. For example, management can over time change elements in the production process and thus increase the GI potential of the product, and the context can provide for training courses to crucial actors in the GI system management.

In chapter 4 the relevant performance factors and indicators are addressed, starting with the product level factors and ending with the context. The description of the factors focuses on their stimulating effects; of course, each descriptions can be formulated in a negative way as well, indicating weaknesses and threats respectively.

3. Data collection

In this chapter details for the field research process are outlined.

Structure:

- 3.1 steps in the data collection process
- 3.2 interview guidelines
- 3.3 questions

The different parts – process steps, interview guidelines, and questions – are designed in such a way that the researchers have room to organize the data collection in their own way. It is also meant to stimulate the sharing of basic questions and new information with key informants.

During the data collection and reporting it should be kept in mind that the focus is on performance (in the past, present, and future), in particular the performance as perceived by the various stakeholders and experts, and the reasons (interests, motives, subjective ‘facts’) behind these perceptions.

Particularly interesting for the SINER-GI project can be details on the ‘invisible’ mechanisms and politics of the process of GI protection (informal as well as legal).

Eventually, the outputs need to be structured in a rather homogenous way across the cases. The following general structure for the report is proposed; it can be refined by the WP5 leading partners during the field work process and the individual research teams.

Q. Short description of the case in its wider (regional, national and international) context (1 A4); plus a short overview of the other GIs, with special mentioning of the peculiarities of the protection of the GI name (1 A4)

R. Chronological reconstruction of the GI system development, role of key actors, role of non-GI system stakeholders, and evolution of the context as far as relevant to the GI system, including co-evolution, i.e. GI system influence on the institutional context; part of the hard data (also from the Datacard) may be left out of this part, and be presented in the comparison part instead

S. Present situation (2005 or 2006 or 2007 data): exhaustively, structured from inside to outside (product, production, collective actions and organizations, markets, supporters, public administrators, other institutions, wider context factors); special attention to internal diversity and (lack of) internal coherences, horizontal as well as vertical

T. Description of two to four final producers with very different styles/strategies; description of each producers’ history, strategy, organization, contacts with suppliers and buyers, perspectives etc. (This is a deepening of the general description of diversity in part S. Questions for this are not in the general list below, only on general diversity!)

U. Performance assessment, based on hard data as well as subjective opinions:

- a. Present versus past situations, and versus perspectives for the future; including changes in degree of “originality” (see O-matrix in §4....) and levels of craftsmanship, leadership, and salesmanship
- b. GI product versus its generic competing version(s) – comparative (dis)advantages (actual situation; but if possible, also for past and future), including an assessment of the different degrees of “originality”

W. Comparison and explanation of contrasting opinions, perceptions, expectations and information from key informants

- X. Summary, lessons, suggestions for further research, tentative policy recommendations for better protection and support (direct as well indirect measures)
- Y. Complete list of bibliographic references
- Z. ...

3.1 Steps in the data collection process

The points below serve as a general guide and checklist to the data collection.

1. Predefining (hypothetically) the main problems, stakes and lessons of the case (see also the answers to the filter and sorter questions in the Selection Procedure report of WP4).
2. Making an inventory of all relevant information sources on the GI system: written documents, internet sites, statistical data, SINER-GI country reports for WP1 and WP2 (if available), ... etc.
3. Making an inventory of ethnographic data on local and national culture.
4. Filling out the Datacard, as far as possible.
5. Making a short overview of the other GI products in the country (in order to check, later on, how these have influenced the actions in the GI system as well as the actions of public officials and supporting actors).
6. Making a preliminary GI system profile: numbers and categories of producers, processors, marketing channels etc., focussing on internal diversity and organizational structures.
7. Drawing up preliminary maps (geographic) and exhibits of product flows, networks for the present situation as well as different moments in the past, if possible.
8. Identifying critical events in the development of the GI system in the past.
9. Reading methodology chapters 2 + 4
10. Identifying competing products in the market, in particular the generic version of the GI product, if available and define their competitive positions *vis a vis* the GI product.
11. Refining the main problems, lessons and stakes observed or expressed.
12. Formulating preliminary (hypothetical) recommendations.
13. Identifying the generic competing version(s) of the GI product, and gather basic data about prices, volumes, market channels, historical development etc.
14. Letting fellow researchers review the preliminary results (item 1 to 13)
15. Interviewing (see guidelines and questions below).

Identify about 30 key informants, at different scale levels, among the following categories of stakeholders. The numbers in brackets are indicative.

- a. Retailers; small and large (3)
- b. wholesalers; different types – local, (inter)national (4)
- c. politicians (2)
- d. NGO representatives (1)
- e. researchers (2)
- f. public officials (4)

- g. supporter (non-governmental) (2)
- h. farmers (4)
- i. processors/final producers (4)
- j. producer representatives (4)

It is preferable to proceed with the interviews in the order indicated above (a to j). Also try to start at the national level, then regional and finally local (in order to avoid self-identification with producers, and to keep a wide reference frame during the research). The interviewer is supposed to have basic knowledge about the production stage (if not: first do some quick and dirty research).

16. Taking digital pictures (1 to 4 MB) of the GI product and people along the supply chain, and of ‘indicators’ of context factors (meeting, cultural event, international contact, pro-GI politician, public offices... etc.).
17. Comparing opinions of interviewees about the motives and strategies of other stakeholders with each other (see also guidelines below). Identify contradictions in opinions and information, and try to explain them.
18. If possible: interview 30 random citizens (both consumers and non-consumers) with different distances to GI system, different social backgrounds, sexes and ages, on their GI knowledge (production, quality differences; selling points; attitude towards the GI and why); open questions only; unstructured; finish the encounter with some questions about the person (profession; education; area of origin).
19. Coding available documentation on consumer behaviour with respect to GI product and/or similar food products: distinguish local from. distant consumers, and knowledgeable from. unfamiliar consumers.
20. Determining GI system self-performance and context-performance (now, past, and future).
21. Refining and finishing preliminary writings, integrating information from the interviews, own observations, statistical data, and new publications issued during the field research period.
22. Formulating recommendations for GI systems leader(s), supporters, public officials at various levels, legal framework and (realistic) institutional improvements.
23. Reviewing of concept report by fellow researcher.
24. ...

3.2 Interview guidelines

The guidelines are meant for interviews with key informants. Interviews with less knowledgeable persons may be narrowed down to gathering basic data (from processors f.i.) or rather opinions (from consumers f.i.).

The challenge is to get very precise information (insights, data) as well as inside information which people normally do not so easily share. It may help when an ‘innocent’ outsider asks the questions instead of an already well-known person.

Content remarks

- i. Before the interview, go through these guidelines, the steps and the list of questions below, and mark the relevant ones. You may

formulate the question in your own way.

- ii. If the interview is not tape-recorded, try to write down some interesting “quotes”, for later use in the reports.
- iii. Ask the interviewee for basic data: age, size of farm or firm (ha, volume, people), type of activities, personal background, role with respect to the GI product/system, personal interests and motives with respect to the GI product/system.
- iv. Ask for the motives of the interviewee with respect to his/her (stimulating, or inhibiting) actions within or towards the GI system, if relevant (only for relatively powerful players).
- v. Ask the interviewee to describe also the motives and strategies of other stakeholder (colleagues, and other stakeholder categories, including consumers).
- vi. Ask the interviewee if you can come some short questions that may pop up later in the research process.

General remarks

- vii. Share the main research questions - what is vitality of the GI system and what are the effects of protection and support - and let the interviewee think along (is GI production better or worse compared to alternatives, main problems for near future, how to stimulate from the outside, what about legal protection, etc.).
- viii. Display naïve curiosity in questioning; do not argue or discuss.
- ix. Let the interviewee talk freely on aspects which he/she thinks are important. Interrupt (if talking drift away) by referring to earlier mentioned aspects and display new curiosity.
- x. Consider a lack of knowledge as an interesting outcome in itself; do not display your own knowledge; always introduce unknown facts to the interviewee in the context of a specific question.
- xi. Insist on details about critical or interesting events in the past.
- xii. Ask to illustrate opinions with examples, facts, and indicators
- xiii. When asking for opinions, stick to open questions; insist by using similar but still open questions. (*gather quotes*)
- xiv. Note how the interviewee may implicitly define success / performance (*gather quotes*).
- xv. (linked to the preceding question) Ask to make an assessment of the importance of the GI system for citizens in terms of cultural value.
- xvi. Elaborate the interview on the same day, if possible, or the day after. While doing so, reflect on the interesting aspects about the interviewees remarks / opinions, i.e. do not narrow down too much to the facts only.
- xvii. Code each interview file with category, name, place, and date, to facilitate later use, like f.i.

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3.3 Questions

Note that the questions are addressed to the researcher / data collector; the researcher can adapt and elaborate them according to the local situation.

The questions are meant to complement the more quantitative and summarized data required for Datacard. The researcher may encounter problems to find certain data, but may have other interesting information instead.

The quantitative data mainly concern economic performance.

The qualitative data concern the less visible processes and mechanisms, as well as motives and opinions.

The questions are categorized starting with the core (production) and ending with the context (external support).

In the list of questions, some central questions are underlined.

Unlike the steps above, the questions they do not follow a chronological order.

O. Peculiarities

Here peculiarities of the GI system should be mentioned that do not fit in the Datacard nor under the themes below (A through E), but which are relevant for outsiders to understand the potential and limitations of the GI system, or which anyhow must be taken into consideration when thinking in terms of GI system improvement (following the normative approach).

- Peculiarities of the production and marketing process that determine the dynamic of the GI system: special production cycle (long, interrupted etc.), specific tools, buildings, processing abroad etc.
- Recent critical events, inside the GI system or in the context, that ‘distort’ the actual situation
- Unique cultural rites, beliefs, religious, ethnic aspects linked to production or consumption

A. Product and production

1. What is the internal differentiation among farmers and processors (categories with respect to size, degree of specialization, and degree of supply chain integration – processing and/or retailing), if relevant?
2. What is the internal differentiation in qualities and prices of the GI product, if relevant?
3. What is the internal differentiation (organizational structure; quality; market channels) within the GI system related to sub-areas, if relevant?
4. What prices do farmers and processors get for the (raw material or finished) GI product?
5. If possible: what are the profit margins of farmers and processors? (= price minus factor cost)
6. How many units do farmers and processors produce per year (per category)?
7. How do the incomes of farmers and processors compare to alternative income options?
8. Central question: What alternatives do farmers have for their land and their labour and what alternatives do processors have for the labour and their capital? (This question serves to tests

the viability and actual sustainability of the GI system from the point of view of its main stakeholders.)

9. What drives farmers?
10. What drives processors?

B. Organization & networks

- 3.1 Which organizational structures are present within the GI system?
- 3.2 Are there initiatives that cover only part of the GI system?
- 3.3 Who are the formal or informal leaders and which actions do they take in favour of the GI system?
- 3.4 What is the governance type: territorial, sectoral, or corporate (Sylvander & Barjolle ...)?
- 3.5 What collaboration and joint investments take place in production, processing, and /or marketing?
- 3.6 What drives the (informal) leaders?
- 3.7 What are the internal mechanisms for quality control and volume control?
- 3.8 Which external contacts / networks have the leading persons 'invested'?
- 3.9 What actions do GI system actors take to protect their GI?

Hypothetical question, to simulate critical incidents in the present situation

- 3.10 What happens if total production volume increases with 50% in the next 3 years?
- 3.11 What happens if the price of the generic version goes down by 30% next year?

C. Markets

- 3.12 What are the marketing channels and their relative importance (volumes + corresponding profit margins)?
- 3.13 Which markets are at risk, and which markets remain to be conquered?
- 3.14 Which two products are the main competitors, and why?
- 3.15 How are contacts with buyers organized?
- 3.16 How are trust relationships maintained?
- 3.17 What drives the wholesalers and retailers to trade the GI product?
- 3.18 What drives consumers to buy the product?

D.1 Support; non-governmental

See §3.2 first

- 3.19 Central question: Is there substantial outside support and if so: how is outside support exactly organized, and by whom?
- 3.20 Through which (invisible) social relationships, channels and mechanisms is outside support organized?

- 3.21 Does or did the GI system actively seek support?
- 3.22 How has support changed over time?
- 3.23 How is the GI system socially embedded in the production area?
- 3.24 Which (private) persons in the area give special support to the GI system (school teachers, notables etc...), and how?
- 3.25 Which local organizations (charity, professional, religious, companies...) support the GI system and how?
- 3.26 Which regional and/or national organizations (NGOs, universities, unions ...) support the GI system and how?
- 3.27 Which international organizations (NGOs) support the GI system and how?
- 3.28 Do non-governmental outsiders help to get support from public administrations?
- 3.29 How critical is the help of non-governmental outsiders to the GI system (growth; continuity)?
- 3.30 Which non-governmental outsiders hinder GI system development?
- 3.31 What drives the various outside non-governmental supports to help develop the system?

D.2 Support; governmental

- 3.32 Which public administrations do something extra for the GI system?
- 3.33 Which barriers do public administrations pose specifically to the GI system (implementation hygiene laws; special taxes; special permissions...)?
- 3.34 How critical is the help of public administrations to the GI system's growth or continuity?
- 3.35 What drives the various governmental supporter to help develop the GI system?

E. Protection

See §3.2 first

- 3.36 Central questions: How has legislation on GI name protection and against GI adulteration exactly been implemented; which procedures, means, persons, attitudes, back-stage politics etc.; how have the GI system and the institutionalisation of protection co-evolved?
- 3.37 To what extent is the GI used on labels (in words and logos)?
- 3.38 What are the actual mechanisms to protect the GI product on the market (both legal and informal)?
- 3.39 Which imitations, adulterations and usurpations take place, or have taken place over the past year?
- 3.40 What are the relevant national and/or regional juridical aspects (check WP1 country report)?
- 3.41 Do GI system representatives (if not present: main producers) know all legal protection options?
- 3.42 Do public administrators involved in legal GI protection and implementation know all the relevant aspects of the GI system in question to apply to the law in the best way?
- 3.43 Where do they get their information from?

- 3.44 To what extent is GI law and implementation the result of political lobby by (all or some) producers?
- 3.45 To what extent do political decision makers and public administrators do 'favours' to some GI producers at the detriment of others (or some categories of producers, or some sub-areas, at the detriment of others), either in the design of the legislation or in its implementation?
- 3.46 What drives politicians and public administrators to protect the GI system?

Hypothetical question, to simulate critical incidents

- 3.47 What happens if producers of the generic version of the GI product start to copy the production process and use self-invented geographical indications on the product labels?
- 3.48 What happens if some trader mixes the GI product with a cheaper generic version and offer it on the market?
- 3.49 What happens if a large company usurps the name of the GI and enters the local market?

F. GI system self-performance

Economic measurement of GI system performance is almost impossible, as explained in the introduction and chapter 4. Therefore, next to hard data, the opinions and views of the interviewees must be gathered in a systematic way.

- Assessment of the present situation, with both hard data (turnover + turnover stability) and subjective data (opinions about future continuity).

Each key informant must be asked how he/she judges the performance of the GI farmers / processors (or of specific producer initiatives, if present, or of major producers - producers including both farmers and processors) and of other GI system actors.

- 3.50 Central question: Is the GI product less or more profitable than other products, and why so?

This question and the next one must remain as open as possible, in order to get honest answers (only making general suggestions if no answer comes out; see guidelines).

- 3.51 Central question: Does the GI product bring also other advantages than just money to GI systems actors (farmers, processors, traders, retailers)?

- Assessment of the development of GI system self-performance over time (see also diachronic comparison below)

Each interviewed producer and key informant must be asked how he/she judges the development of the GI system in the past till now (see table 1; if not knowledgeable, start less years ago)

- 3.52 Has profitability of the GI product / system improved or worsened, and why so?
- 3.53 Are the future perspectives (next 3 years) for the GI producers good or not so good, and why?
- 3.54 Central question: What are the main opportunities, barriers, and threats, and why?
- 3.55 Are there problems in terms of management potential: salesmanship, leadership and/or craftsmanship, if so: which, and can they be solved? (see §4.2 ...)

G. GI system context-performance

See indicators in §

- Assessment of the present situation, with hard data and subjective data

Each interviewed producer and other key informant must be asked how he/she judges the positive and negative impacts of the GI production (system) on the area, and on the wider context.

- 3.56 Central question: Does the GI production bring benefits to those people in the area (if large country: region) who are not commercially involved (not producers, traders, or consumers), i.e. citizens? If so, which? (if economic synergies, or social aspects, or ecological aspects are not mentioned, these themes can be mentioned explicitly, but not specified!). And does it have certain negative impacts on the area as well?
- 3.57 Does the GI system have benefits for the people outside the production in the area (country, or if large country: region) who are not commercially involved (not producers, or traders, or consumers)? If so, which? (if economic synergies, social aspects, or ecological aspects are not mentioned, these themes can be suggested, but not specified!). And does it have certain negative impacts on the area as well?
- Assessment of the development of context-performance over the past 10 years (or less, if not possible) till now, and the future

Each interviewed producer and other key informant must be asked:

- 3.58 Have the benefits that the GI system brings to the people in the area and the region increased in time, or decreased? And were the benefits only for producers and traders or also other people (check-question, in order to ensure focus on external impacts, not GI system self-performance)?
- 3.59 Central question: Which external factors will be decisive for the GI system's development or survival in the next 3 years? And in 10 years from now?

3.3.1 Comparison

In §3.2 Some main factors and indicators for GI system performance are specified. Implicit in the performance assessment is a comparison of that performance to other GI situations.

Roughly two comparative approaches can be followed.

- a. Diachronic: a comparison between the GI product and its competing generic, non-GI version; the difficulty can be that such a product is not available in the same area (causing a change in the effects of context factors), or hard to identify, if there are several versions.
- b. Synchronic: a comparison between the “before” and “after” situation, for instance the present situation compared to 5 years ago; a difficulty is that change process can be slow and gradual, making it hard to identify and disentangle the precise causes of the change, the more so because the GI system context changes at the same time.

Note that the procedure for the various comparisons is left rather open, as compared to the GI system profile and GI system performance.

3.3.1.1 Diachronic: present GI system versus past situation(s)

Most information to be gathered in this research will relate to what has happened with the GI system over the past X years up, and in particular in the last year (also for the answers on questions A through E). The remaining information relates to plans and preparations for future actions and opinions about future perspectives.

The first questions to be addressed relate to the very start of the initiative to sell the product under the GI (if relevant). Preferably also the actions undertaken before the actual start are documented.

- 3.60 Were there initiators of some collective action in the production or marketing or promotion, and if so: what drove them?
- 3.61 Did the initiators have other examples in mind (if so: which) or did they start from scratch?
- 3.62 What were the main problems encountered?
- 3.63 What have been the solutions?
- 3.64 What have been failures (which could have been avoided with more experience)?

The most important function of data collection on the past situation(s) is to compare the GI system before and after certain critical events, such as:

- strong price fluctuation
- introduction of a new technology
- sudden opening of a new market
- arrival of strong support from an NGO
- armed conflicts
- introduction of a GI label
- ...etc.

Thus, the effect of single outside or inside factors can be assessed, with some precaution.

Therefore, each key informant must be asked about the effect of such critical events. The existence of such events can be gathered in part at forehand, and in part must be retrieved during the very interviews).

- 3.65 What has been the effect of [**critical event x**] on the GI system, and how did farmers, processors, and traders react to it?
- 3.66 Was the effect just due to [**critical event x**], or also to other factors?
- 3.67 What has been the effect of [**critical event y**] on the GI system, and how did producers react to it?
- 3.68 Was the effect just due to [**critical event y**], or also to other factors?
- 3.69 etc.

Table 1 can be used to systemize and monitor the collection of data on the past and the future.

Table 1 Research output matrix

Stage	Start (moment 1)	Situation moment 2	Situation moment 3	2006/2007 (moment 4)	2010 (moment 5)
Topic Product & production					
Organization &					

networks					
Markets					
Outside support					
Protection					
General context factors					

The identification of situation 2 and 3 will hardly be relevant for very young GI systems. For the older systems the moments should be chosen so that situations differ as much as possible from one moment to the next (possibly linked to critical events).

For cases with less historic record, relatively more research efforts will have to go into the description of the present state of the GI system, for instance additional details on the roles played by specific persons within and outside the GI system.

Check-list of typical trends in GI system development

The trends below are meant to support the diachronic analysis.

These trends are held to be typical of the development of GI system that have been studied mainly in the European context, but are expected to occur also in GI systems in other countries. However, the way in which these trends express themselves and how context factors influence them exactly will differ per GI system. The focus of the research therefore must not only be on the phenomena as such, but on details of the process that leads to them.

This list of questions is tentative. Some effects may be missing, and some may not be so typical of GI systems but common for emerging agri-food production systems in general, but still important to note.

Production

- 3.70 Uniformation of techniques and plant varieties/breeds used?
- 3.71 More detailed production regulations (code of practices)?
- 3.72 Moderate modernization of production techniques?
- 3.73 Increased economies of scale (lower costs per unit; excl. distribution costs)?
- 3.74 Enlargement of production area?
- 3.75 Internal differentiation of production area?
- 3.76 Refinement of packaging and labels?

Management

- 3.77 Change of leading persons (engaged leaders > consolidators)?
- 3.78 Increase in horizontal organization between producers?
- 3.79 Increase in vertical integration (insourcing or closer contracts)?
- 3.80 Formalization of organizational structure

- 3.81 Change in governance structure (territorial > sectoral > corporate)?
- 3.82 Introduction of internal quota and basic prices?
- 3.83 Increase in external contacts at local and regional level (for support)?
- 3.84 Joint promotion (paid with producer fees, or subsidies)?
- 3.85 Appearance of “sub-GIs” in specific sub-areas (informal, or formal)?

Markets

- 3.86 Pooling of supply > more bargaining power, increased economies of scale in distribution?
- 3.87 Gradual geographic extension of distribution network?
- 3.88 Distribution (and labelling) taken over by outside companies (specialization)?
- 3.89 Shift from local consumers to well-to-do urban people (price increase, at least for the more exclusive part of the production)?

Context factors

- 3.90 Outside support: From local people to involvement of universities, international NGOs etc.?
- 3.91 Outside support: From volunteers to governmental support or sponsors?
- 3.92 Public officials: From top-down towards more professional and dialogue?
- 3.93 Public officials: Increased expertise support from Western countries (bi-lateral agreements)?
- 3.94 GI law: Gradual less close co-evolution between (first-comer) GI system requirements and regional or national GI legislation and implementation, because of additional new GIs?
- 3.95 GI law: Increased copying of EU-model?
- 3.96 GI law: Weakening of collective and certification trade marks and an increase in private brands / private trade marks?
- 3.97 Public opinion: Increased identification with the ‘own’ product (pride)?
- 3.98 Public opinion: Increased conviction of the wider benefits of the GI system as opposed to conventional / bulk?

3.3.1.2 Synchronic comparison

3.3.1.3 Synchronic: GI product versus generic version

First, the generic version (or versions) of the GI product within the same area or region must be identified. In the case of Basmati rice, for example, any common type of rice available on the market to more all consumers, and without any connotation of geographic origin, is suitable.

In some cases the generic version will be an imported food product.

In some cases there may not be a generic version at all, as for Rooibos tea. In the latter case, a distinction between two different qualities of Rooibos can be compared. If there are highly different versions of one GI (as for Tequila), some average must be taken.

The comparison should at least include:

- xviii. Product characteristics (brief)
- xix. Production methods, incl. ecological impact
- xx. Production costs to final producers
- xxi. Impact of hygiene regulations
- xxii. Production volumes
- xxiii. Prices to farmers
- xxiv. Prices to final producers (if not farmers)
- xxv. Prices to consumers
- xxvi. Main marketing channels
- xxvii. Main types of consumers

Further, the shifts of producers from GI product to the generic product and vice versa, should be documented; does it happen a lot, and why.

3.3.1.4 Synchronic: core case versus other GI systems

The aim of such a comparison is to understand and relativize the importance of context factors like legislation, special support, agri-food sector characteristics, and (national) economic and cultural characteristics, relative to internal performance factors. Context factors are specified in § 3.4....

The comparison can only be tentative, because cases will differ on many aspects, making it difficult to distillate the effect of single factors.

3.3.1.5 Synchronic: comparison across borders

A second type of synchronic comparison can be made between the GI system (core case) and a similar GI system in another context (country). Since the multiple differences in context makes comparison on many aspects hard – absolute costs and prices do not say much, for instance - the analysis can focus on just a few context aspects on which countries differ but which may change over time, for example:

- a. Effect of national culture aspects (communality, religion, ...)
- b. Strongly separated ethnic groups
- c. Radical transformation of the economic and/or political system
- d. Effect of support from university researchers or NGOs
- e. Use of internet for sales and promotion
- f. ...

If, for instance, a GI system based on dried ham is successful in Italy but not in China, one may ask in general what the main differences are, and if there is anything at all that one situation can learn from the other. For such comparison, good data on both cases are necessary.

The precise aspects for comparison can only be identified during or after the case study.

The synchronicity of this comparison is questionable in the sense that the two countries or regions, i.e. the socio-economic contexts, may be in very different stages of economic development.

3.3.1.6 Synchronic: comparing within region

Alternatively, the GI system of the core case can be compared to a different GI system within the same region or country. In that case, the product can be different, but also a similar product can be taken (for example Oaxaca Mezcal versus Jalisco Tequila). Like in the case of comparing similar GI systems across national borders, this comparison tests the context sensitiveness of GI system organization and development.

Again, a few aspects can be chosen to compare on, like:

- a. Effect of a specific GI law
- b. Effect of anti-adulteration policy
- c. Control of marketing channels
- d. Mechanisms to get support from regional government (also clientelist favours)

The precise aspects for comparison can only be identified during or after the core case study.

4 Factors and indicators of GI system performance

In this chapter, first the factors contributing to GI system performance are specified at product level and management level respectively.

After that, success indicators for GI system performance are outlined, related to the factors.

A distinction is made between GI system self-performance and its performance with respect to its (social, economic and environmental) context.

4.1 Product level factors

In order to evaluate the performance of a GI system, it's success can in part be related to the initial potential of the product at hand. If this potential was low (based on what we know from the literature) and the development of the GI system is strong, performance by management (and outside supporters) can be evaluated as above average, and if the potential is high but the GI system ill-developed, management performance is under average.

At product level the four factors for "originality" (van der Meulen (1999; 2007) can be used to determine the market potential of a GI product (as we find it in a given moment, not considering for the moment the fact that large part of this potential is the result of management efforts in the past). Originality is the degree to which a food product is physically and/or socio-culturally rooted in a specific geographic area, and for that connectedness has some special attractiveness to consumers. This connectedness reflects the products credibility as an GI product towards consumers (as well as outsiders), and therefore its specific market potential as an GI product.

O-factor1: Territoriality = the physical bond to the area; a food product that is grown, processed, aged, and consumed within a well defined and clearly visible geographic area, has a high score on territoriality; this factor shows an GI product's connectedness in place.

O-factor 2: Typicality = the specific characteristics of the production process and the final product, both comprising intrinsic as well as extrinsic aspects, which sets a food product apart from the generic version, and in a way that relates to the area of origin; landscape is considered to be a extrinsic quality aspect of the production process; this factor shows an GI product's connectedness in unique local details.

O-factor 3: Traditionality = the historic age, load of documented history, and build-up reputation, as well as the link with local eating culture, all contribute to the product's score on this factor; this factor shows a GI product's connectedness to the area in time.

O-factor 4: Communalty = the degree to which a food product is produced and offered by multiple farms/firms, and the degree to which they work together, vertically and horizontally within the area; communalty shows the product's rootedness in the people of the area and is not the artefact of some private entrepreneur who just happens to live in the area (after which he/she has named the own product).

Each of the above factors can be specified for different stages or links in the supply chain, illustrated in table 2.

Note that collaboration is not limited to one stage; it and implies also to vertical tuning (for which no separate box is shown here).

Table 2 Originality matrix; sub-factor per stage

<i>Factor</i> <i>Stage</i>	Territoriality (place)	Typicity (details)	Traditionality (time)	Communality (people)
Farming	Clarity of area delimitation; % of raw material	Breed; Soil; Techniques; Landscape	Old breed; Old techniques; Old landscape; Documentation	# of producers; Collaboration; Collective events
Processing	Clarity of area delimitation	Techniques; Exterior	Traditional way; Documentation	# of processors; Collaboration
Retail	% sold within delimited area	Techniques; Settings (shop)	Traditions; Documentation	# of stores; Collaboration
Consumption	% consumed within delimited area	Techniques; Settings	Traditions; Documentation	Collective events; Chain involvem.

Thus, each food product can be rated on the four factors, leading to an overall O-score. The scores are hard to quantify, because they are continuous (instead of discrete) variables, and they are hard to weigh against each other. Moreover, the factors are not statistically independent, just conceptuality. For example, a high degree of communality may imply that the production volume is divided over many producers, which therefore abstain from investments to get economies of scale, thus adding to the score on typicality. So overlaps in the ‘calculation’ of the overall score must be discounted.

The O-score can be used to compare a number of different origin products (and even GI labels) with each other. But in the first place the O-score can be used to compare the GI product to its competing generic version on the market. In the same way, it can be used to compare the GI product to its own ideal version, i.e. the version with the maximum O-score, adding imaginary properties. Thus, an assessment can be made of whether performance at the product level can be improved.

Besides the factors for regional originality, there are some ordinary product characteristics which co-determine its attractiveness in the market; not as an GI product, but just as a food product. For example, a blood sausage with cubes of lard in it (typical of the north-eastern part of The Netherlands) may have high scores on the O-factors, and still be ‘disregarded’ by most present-day consumers. In other words, the O-score must be discounted for aspects of general attractiveness in order to establish the product’s overall market potential. This also holds for packaging (style, convenience).

Of course, the O-scores are not a static givens, but the result of human action (management) in the past.

When comparing a GI product with its competing generic version (see below), it should become clear how specific (or generic) the GI products is. In fact, quite a few GI are rather industrial, i.e. lacking the kind of typicality linked to artisanal production methods.

A further point of attention is that the competitive advantage of a GI product’s “originality” depends on the degree of integration into the larger markets of generic food products. There are many GI which compete on international bulk markets, as well as small GIs which are distributed to local markets only.

4.2 Management level factors

The above mentioned potential of a GI product remains void without proper organisation of its exploitation.

The word management suggest that there is a limited number of persons managing an organization called GI system, but of course many GI systems are too loose to be called organizations and in most there are not (yet) real managers present. Here the term management comprises the diffuse and

joint capacity of producers to manufacture the GI product in a specific (and more or less similar) way, and to effectively communicate the GI product's unique selling points to buyers, to master internal challenges of collaboration, and to master external challenges of competition. The form in which managerial activities take place depends on the composition and complexity of the GI, and it may be present at different level in the system at the same time (Reviron ..., Barjolle & Sylvander ...). In more developed and established GI systems there may be an official consortium. In other situations there are just individual entrepreneurs and firms which interact vertically, like in the classic Porterian value system, and hardly horizontally.

This makes it even harder to assess management qualities within a GI system.

The management potential of the people in the GI system can be decomposed in three basic qualities:

- Craftsmanship
- Leadership
- Salesmanship

The elaboration below focuses mainly on producers, because they usually have higher stakes than wholesalers and retailers (and consumers) further-on in the supply chain, but it also apply to the latter, since their actions with respect to the GI product are part of the GI system (see definitions in chapter 2).

Craftsmanship is the know-how to physically produce and reproduce the GI product. This ability is implicit to Typicity factor of the O-score (product level). The exchange and sharing of local know-how, which is important for some degree of homogeneity, are implicit to the Communitarity factor.

Because of the unique, place-based qualities that GI producers strive for, their craftsmanship usually implies GI-specific assets (tools, buildings, and even soils), which are preconditions to, as well as the results of the production process; they have "agency". The assets may be quite useless and at least superseded in a different context. Part of good craftsmanship is the ability to adjust the production process and its assets to changing circumstances, without losing typicity or at least the difference with the main-stream production process. A very high degree of asset-specificity (Williamson 1985) may therefore be considered a positive quality in the short term and a negative quality in the long term.

Craftsmanship can be seen as complementary to or opposing entrepreneurship (van der Ploeg ...), defined here as the quality to pursue market opportunities without current control of the necessary resources (Stevenson ...). As such, entrepreneurship may compromise typicity, although it is a necessary capacity, being part of salesmanship.

Summarizing craftsmanship qualities:

- know-how to ensure typicity
- sharing and reproduction of know-how
- flexibility to adapt production practices

Salesmanship essentially refers to market orientation, which should complement the craft-orientedness which may be particularly strong in GI producers (and which is a sense is also one of their charms). Salesmanship implies a good overview of the market position and opportunities for the GI product: prices, stocks, supply, demand, competitors, substitutes, unique selling propositions of the GI (characteristics, reputation, area image, official status such as prices or PDO) etc.. This knowledge component combined with experience and interpersonal qualities translate into the

capacity to obtain good margins and selling conditions, also in the longer run.

In the case of GIs, the story to be told will, on average, be more substantial and complex than in the case of simple food commodities (which compete more on price and compliance with standards) and even in the case of the branded food products (which may also have special characteristics, to be explained). This requires special qualities, but also offers special opportunities, such as free publicity.

It is important that the salesmanship qualities are present in all links of the GI-system. In other words, producers of the raw material and processors, or at least their representatives, should be able to retain a fair share in the value added. This capacity may be present in producers themselves as well as wholesalers and/or retailers who are specialized or otherwise have a strong engagement with the product (although the latter are unlikely to be specialized in the GI products).

Salesmanship is also the capacity to get free publicity from journalists, i.e. to be able to 'radiate' in an authentic way the own conviction of the qualities and uniqueness of the GI product and to have a good feeling of what outsiders (consumers as well as journalists) appreciate: small-scale, special know-how, tradition, shared culture, sustainability etc.

Salesmanship can be further extended to the capacity to sell the GI 'story' to public administrators, NGO's, researchers etc. for their support (subsidies, infrastructural improvements, legal GI recognition, advice, students support etc.). The GI literature often mentions the presence of a charismatic, energetic, and knowledgeable leader as a crucial success factor (see also WP2 report).

Finally, salesmanship is also the capacity (like in all business) to maintain good commercial relationships, based on trust and reciprocity, and to get the most out of the market without taking too much risk to be excluded.

Summarizing salesmanship qualities:

- obtain good price margins
- obtain good selling conditions (other than price)
- ensure continuity in profitable commercial relationships
- conquer footholds in new distribution channels, such as fair trade, airplanes, farmer market, public canteens etc
- tap into a new consumers segment (feeding back market info to GI producers)
- get free publicity from journalists
- sell the GI story to private sponsors
- sell the GI story to university researchers
- sell the GI story to NGO's
- sell the GI story to potential volunteers
- sell the GI story to public administrators and politicians (including access to public canteens and kitchens)

Salesmanship of wholesalers and retailers cannot be taken for granted; some may have a special sympathy or interest and be essential in opening new markets or keeping new ones.

Leadership is the capacity to animate and coordinate the actions within the GI system, leading to better results than actors could achieve individually. It means that leading person(s) are able to create a sense of proprietorship towards the system among the entrepreneurs, which is needed for instance to ensure that they comply to a code of practices, accept the introduction of production quota, or make joint investments. Part of the capacity is being visionary and setting clear objectives.

Other aspects of leadership, closer to classic management, is the ability to coordinate inbound and outbound logistics (storage, transports etc.) and take care of formal contacts with the outside.

Leadership includes the capacity to warrant or increase the O-score, thus increasing the product's GI-specific market potential as a base for future development.

A strategic challenge to GI systems everywhere is to manage scaling-up, i.e. to keep control of quality and volumes in times of change. When more producers get involved, or when they grow in size, all kinds of organizational problems occur.

Next to keeping the 'pack' together, leadership is expressed in the maintenance of the flexibility necessary to respond to changes in the environment. This capacity is complementary to the resilience that individual entrepreneurs may demonstrate.

But GI system actors do not only respond passively to outside changes; they also actively try to influence their environment. An expression of good leadership, for instance, is the capacity to ensure, by lobbying and by formal steps, the protection of IP rights at higher scale levels as markets grow in size and extend over longer distances. Another expression is safeguarding the 'licence to produce', by negotiating production methods with civil organizations and public officials.

Summarizing leadership qualities:

- animate/mobilize producers and other GI system actors
- create a sense of proprietorship among the actors for the whole system
- make GI system actors comply with code of practices
- provide for vision and strategy
- coordinate passage to joint operations (logistics)
- coordinate passage to joint investments
- obtain special permissions (at the expense of competing generic food producers)
- obtain legal GI recognition and enforcement from public administration
- obtain subsidies (overlap with salesmanship qualities)
- coordinate up-scaling, keeping value-added sufficiently high

Again, it should be stressed that leadership, salesmanship and craftsmanship can be present at the level of individual entrepreneurs and firms, and be (more or less) absent at aggregate levels (relativizing the system character of the GI supply chain 'system').

4.3 Context level factors

The performance of a GI system's must be evaluated against the background of external stimulating and inhibiting factors and actions (action is a short-term change, a factor is a more structural property or action category). Thus, a moderate GI system development in a hostile context may be considered as a more impressive proof of GI system vitality (management) than a substantial GI system development in a favourable context. So, context characteristics co-determine the degree to which the management of a GI system can successfully operate to develop the inherent potential of the GI product.

Context is largely given. This holds more for the distant/wide context, than for the local environment, which can be strongly intertwined with a GI system, for instance in the case where a GI system has developed into an agro-industrial district or cluster and dominates the local economy (Parmesan cheese, Tequila).

Only in rare cases, when a GI system has very powerful players, can it force upon national politicians and public administrators the conditions of for instance a national GI law.

In order to assess the effects of context factors on a GI system, an analytical distinction must be made between different context domains, and each domain must be considered at different scale levels. The scale level is crucial because the degree to which a GI system can counter-influence context factors decrease with scale. At the same time, analyzing factors at a higher scale level implies a more long-term perspective; vice versa context factors may change more rapidly at a local level.

First, a distinction must be made between GI specific versus general context factors. For instance, the creation of a regional office for the support of GI initiatives has a more direct and tangible impact on the GI system than a general rural extension service. Even more direct would be a law issued for one particular GI system (which is quite common in non-EU countries where usually no common GI law yet exists). General factors are, for example, income distribution over social classes, indicating how large the group of potential buyers is (becoming).

Second, a distinction between public and private factors must be made. The private domain relates to the actors in the agro-food markets in which the GI supply chain is involved, and to actors that are not bound to public permission, like local civic organizations, international NGO's etc. The public domain relates to non-commercial actions by public officials or other people who may be expected to serve the common interest (and not the particular GI system in question). Sometimes there will be an overlap between the public and private domain, for instance when a public body (ministry, school) chooses to have let a GI system be a preferred supplier to its canteens.

In general, the more GI-specific and the more local the factor, the stronger the interplay between GI system and context will be. Reversely, a GI system based on coffee from a small high-land area cannot but accept the influence of coffee world market prices on their own product (even though it may be more incisive than for common coffee).

Finally, the GI system itself must be taken into consideration. Some systems are very small and have a local market, while others have a turn-over of more than a billion Euros and sell on international markets. Of course, the research will concentrate on the most relevant contexts for the GI system under study, and focus on the most relevant factor aspects within these contexts.

Table 3 illustrates the different context domains. It can be used to sort descriptive information that emerges from the field research.

Table 3 Analytical distinction of context domains (*in italics the degree of interference with the GI system*)

	GI specific factors	General factors
Local	Public <i>(influenced by GI system)</i> Private	Public Private
National	Public Private	Public Private
International	Public Private	Public <i>(independent of GI system)</i> Private

Geographic conditions are not considered as context factors here because they are unlikely to change and therefore less relevant to the final goal of the research: policy recommendations. But of course physical conditions have shaped the actual GI production system and the product's "originality" and thus precondition the effects of external factors.

Until now, no explicit research has been done on the differential effect of specific national/regional context characteristics on the performance of GI systems or on the choice of intervention methods. The SINER-GI project lends itself well to fill this gap.

Below context factors are listed together with their assumed stimulating (or inhibiting) effect on the development of GI systems. First, the more GI specific factors are listed (protection and support) and then the more general ones.

4.3.1 GI protection and enforcement

This factor is of main relevance to the SINER-GI research. However, since most non-EU countries are just about to develop such laws, and because many of them lack the institutional strength or political priority to enforce their laws effectively, the effects on GI system development are still limited. In this situation, it is hard to compare a "before" with an "after" situation.

Moreover, if protection is meant for export markets, international negotiation and effective enforcement further delay the moment of impact. Another reason why legal GI registration still may have limited impact is that application sometimes has just strategic reasons: avoid future infringement, or protection on future markets. Reversely, adoption of GI legislation may have rather strategic reasons – protection of a whole range of GIs in the future; entrance into the EU, international trade negotiations - rather than the protection (or even development, if specific support is included) of a particular GI system.

The "GI law factor" includes relevant TM/CTM laws and their enforcement. Many GIs start off with such protection.

Even non-legal and informal protection mechanisms can be included in this factor, like exerting

vigilance on traders by mobilizing people along family and ethnic lines, lobbying with public officials and police men to help out etc.

Measures of the effectiveness of external protection (disregarding scale level for now) can be the:

- a. Degree of effective TM and CTM law enforcement; measured by successful protests against usurpations, in the past and now
- b. Degree of effective enforcement of a GI law, provided the law is well defined; to be measured by successful protests against usurpations, in the past and now
- c. Degree of effective enforcement of laws against adulteration of food and misleading of consumers; measured by successful protests against abuses, in the past and now
- d. Conclusion and effective implementation of bi-lateral and multi-lateral agreements on mutual recognition of GIs, measured by effective protests against abuses, and by the increase in profits of overseas sales
- e. Degree of effective social control against adulteration and usurpation; measured by the aversion and suppression of abuses

Of course, the final indicators of effectiveness of protection measures are the continuity and growth of the GI system; these will be addressed below, in paragraph But it is important to note in this perspective that the avoidance of negative effects (often the first aim of GI protection) can be considered as a contribution to the GI systems continuity, being the avoidance of negative growth or even collapse.

Besides direct effectiveness, GI system protection may have the additional, unexpected effect of uniting people into collective action, which can be experienced as positive, even if protection itself does not help the profitability of the GI supply chain very much.

Although GI legislation & enforcement is perhaps the most tangible expression of a factor favouring GI development, its effect may be less strong, less consistent, and less persistent than law makers like to imagine (as for all laws). Top-down approach and neglect by lay officials of other factors (group building process, markets) is a common mistake. In general, the way a GI protection opportunity is carried out is more decisive for success than the very existence of such law and its institutional back-up (the latter of course can improve on this situation).

Further, official GI protection may have negative impact, like rigidity, inhibiting the GI system's development in a second instance. Further, certification costs may be so high (direct costs and time) that producers are better off without (WP2, p.28).

4.3.2 Support actions

Support actions do not include protection efforts, which are dealt with separately (above).

The context of support actions can be international, national, regional, or local, with each level having its own specific players. Contrary to most context level factors, this factor may change very quickly in time, even at the national and international levels.

- a. Local: favours from local politicians like the free use of land or buildings, or volunteer help from school teachers and other representatives of the cultural elite, ...
- b. Regional: direct (subsidies) and indirect support (advice) from regional public administration, ...
- c. National: subsidies, favourable hygiene laws, ...
- d. International; money and help to develop international sales from NGO's,

free advice from experts of the former colonizing countries ...

The positive (or detrimental!) effects of these special support actions in the past and present can be measured by gathering the opinions of key informants.

4.3.3 Societal context factors

The societal factors have the most generic effect on a GI system's development, compared to the preceding factors. They are also more permanent, and more difficult to influence by the GI system. However, the factors may differ within a country, and at a local or regional scale level they may be more relevant to a particular GI system, and sometimes even open to the influence of GI system actors or outside supporters of the system.

But in general, these factors must be taken for granted and can be used when comparing with other GI systems, in different contexts; trying to explain relative success or failure, which implies the accounting for generic context factors relative to direct actions for GI system development.

4.3.3.1 Market

The effects of the above-mentioned protection and support efforts (and of the internal GI system actions as well) must be corrected for market factors that simultaneously effect the GI system. Stimulating and/or inhibiting market changes can be:

- decrease in input prices (relative to those of competitors) (+)
- increase in output prices (due to f.i. sudden, unforced access to a new market)(+)
- bankruptcy of a main buyer (-)
- a food scandal etc. (-/+)
- international trade block (-/+)
- tax increase on certain food categories (-/+)

Depending on the characteristics of the GI system, a market change may be either stimulating or inhibiting. A trade block on GMO corn may hurt a country's agriculture in general, but be benevolent to the development of the market of a GI product.

4.3.3.2 Food sector & food culture

Some supposedly stimulating structural aspects of the agri-food sector and food culture are listed below. They may be used as a checklist in the field research, and should be applied at the appropriate scale level; a GI system may operate in a region with

- a. Strong presence of SMEs in food production, processing, and distribution (a bottle neck for many emerging GI systems in Western countries); the opposite would be the dominance of large agri-food companies in the economy, and subsistence farming being the only alternative.
- b. High use of origin claims in advertising and on product labels; to be measured by the number of such claims on products in a few pre-selected categories (cheese, meats, alcoholics, coffee ...)
- c. High GI-proneness among inhabitants
- d. High % of household expenditures on quality food in the daily diet or on special occasions
- e. High food price differentiation (measured by price difference between the cheapest and most

- expensive versions within certain food category)
- f. (public) Degree of fair competition regulation (repression of usurpers and imitators ...)
- g. (public) Flexibility in enforcement of generic (often industry-oriented) hygiene regulations
- h. ...

As said before, the generic context factors must be considered for different scale levels. Thus, the presence of a major town, which is supposed to 'house' consumers are willing and able to pay for traditional/rural foods, would favour the development of a GI system that is located in its vicinity.

Some of the food sector & food culture aspects are linked to actions in other domains. For instance, the GI-proneness of inhabitants is probably reflected in the behaviour of public officials.

4.3.3.3 Culture

National culture (or regional, in the case of a large country, like Brasil or the U.S.A.) represents the most general factors that influence the perspectives for GI system development. The following three dimensions are expected to have a clear influence.

- a. Degree of collectivism (versus individualism)*; this dimension is expected to favour collective action of GI producers (and at the same time may suppress individual entrepreneurship) (see also WP2, p.21)
- b. Power distance*; this dimension may explain the top-down approach in some countries in the development and implementation of GI legislation on the other hand, it may help leadership acceptance
- c. Degree of nationalism / chauvinism; nationalism and chauvinism may trigger GI protection as well as other types of support, including consumption ("defensive localism"; ref ...)

The precise effect of these factors are debatable, in the sense that in any cultural context GI systems may develop and that they will be organized in a way that fits the culture, even to the extend that persons from different cultural backgrounds may hardly recognize or take serious each others GI systems.

*) Data per country available in Hofstede 2001; <http://www.geert-hofstede.com/>

4.4 Indicators of GI system performance

The performance of a GI system can be subdivided in self-performance (3.4.1) and context-performance (3.4.2). The self-performance is the internal vitality of the GI system and it can be expressed in terms of economic performance and personal satisfaction of the GI system actors. Both economic performance and personal satisfaction must be considered in the short and the long term.

Context-performance is all performance that is beneficial for actors in the context (local or extra-local) and which do not directly serve the GI system.

Before specifying the indicators of self-performance and context-performance, the time element of performance must be addressed, because it heavily complicates the assessment of overall performance and of the contribution of different factors/actions to the performance.

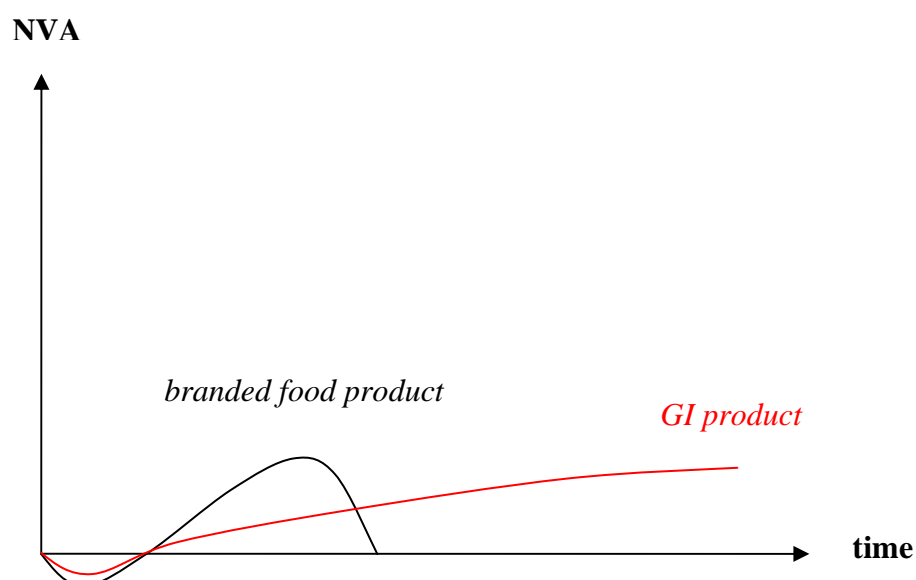
4.4.1 The time element of performance

The stimulating actions sorted under the factors specified in paragraph 3.3 can be seen as investments in the survival and future growth of the GI system. Some investments (efforts) will yield quick results, whereas the effects of other actions and factors may appear only in the medium or long term. In a first instance, the investments can translate into ‘benefits’ like

- an increase in the GI product’s “originality” (product level)
- an increase in the group spirit of the GI producers (management level)
- an increase in organizational qualities, like specialization (management level)
- an extension of the outside network of potential helpers (management level)
- development of contacts in a new marketing channel (management level)
- establishment of a local support foundation (local context)
- implementation of a GI law (national context)
- development of relationships with foreign NGO’s (international context)

Efforts that have not paid off in economic terms can be seen as capital that represents future monetary value which, theoretically, can be calculated by adding all values and translating them into present value (discounting for interest). This is of course a very hard exercise, and certainly impossible in this research project. (A more feasible approach is to reconstruct the effects of various actions in the past on present GI system performance; this is addressed in chapter 4).

Exhibit 5 NVA progress of a branded food and a GI product (tentative)



The time element seems particularly relevant for GI systems. Exhibit 4 illustrates that initially the Nett Value Added (see paragraph ...) of a GI product may be lower than that of a comparable branded food product, but in the long term may be higher. The initial investments in “originality” and group building can pay off for a long period of time without major investments later on. This effect is due to the relatively artisanal or traditional (and therefore small-scale) way in which GIs are usually made (consciously lagging behind modern methods, postponing investments), and in particular to the rootedness in place, which makes it hard to replicate.

Roughly, the investments made in the capacities of the GI system to generate future incomes, can be subdivided in economic capital and social capital. The first applies to investments in production methods and sales, the second to the investments in mutual trust of the GI system actors.

In the case of food products also “ecological capital” can be counted, as being investments in the creation of a specific ‘natural’ habitat (soil, landscape) necessary to make the GI product and which can be capitalized upon in later instances.

Further, “public capital” in the form of goodwill among the population (public opinion), public officials and NGOs can be considered as the result of prior investments (see ...).

These capitals are meant to yield net benefits, but they are unlike monetary savings. They need constant maintenance and reproduction, like production factors. They are at the same the results of and the preconditions to proper GI system functioning.

As stated above, performance is not limited to the economic aspect (income generating capacity). The personal satisfaction of GI system actors is also part of GI system self-performance. This must be measured separately. However, there is an overlap with economic capital, in particular in a time perspective; the confidence in having stable future incomes can significantly contribute to labour satisfaction.

4.4.2 Indicators of GI system self-performance

The main indicators for the self-performance of a GI system are its continuity (as the ultimate test of sustainability) and growth. Growth in itself is not a sufficient indicator, since a fast growth can damage the system’s continuity in a later instance. Growth can be just the result of passive capitalization on old reputation and lead to a neglect of product quality and volume control. Further, growth may be achieved in terms of turn-over or market share, but not in terms of value-added, for instance when prices drop proportionally to the increase in production volume. Finally, growth profits may be get unevenly distributed among the GI supply chain actors, leading to a decrease in coherence (social capital) and put future operations at risk.

So, the GI system self-performance should be measured in a long-term perspective, as illustrated in exhibit 4. In this perspective, successful efforts to avoid a decline of profit margins are just as valuable as efforts to f.i. acquire subsidies for new projects for GI system growth. How exactly this continuity and growth are achieved, is another question.

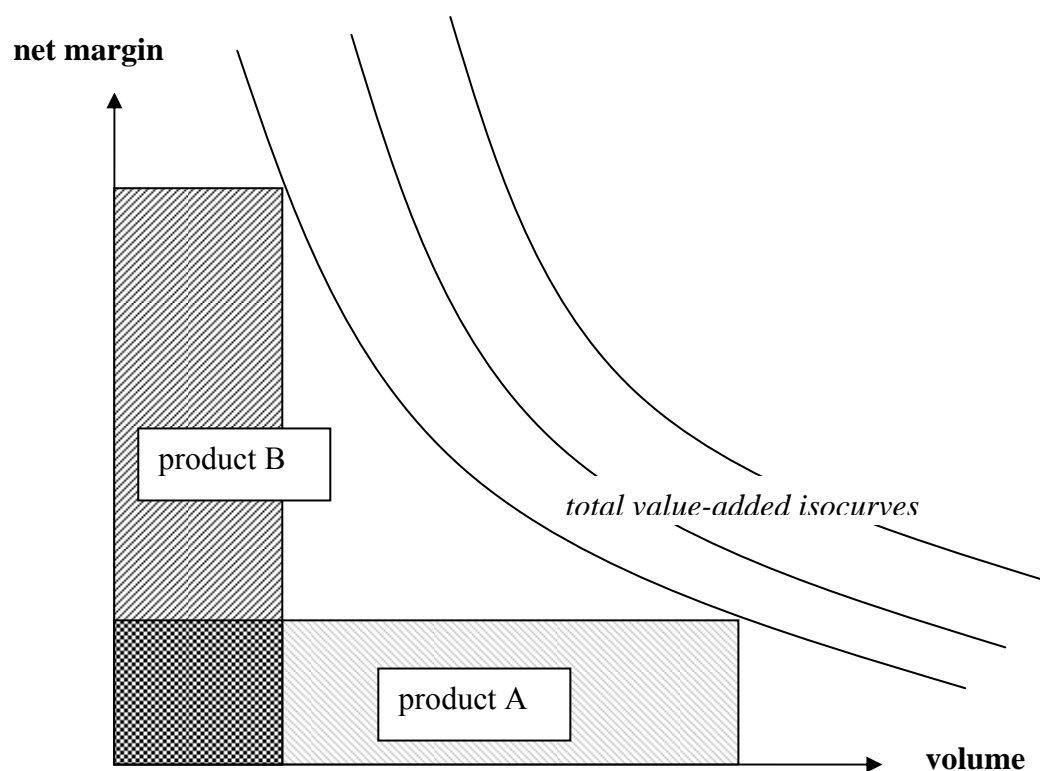
Economic performance of the GI system can be calculated as the Net Value Added (NVA) to the local sources used. Total NVA is the net profit margin per unit times the number of units sold within the period considered (usually one year).

Net profit margin is calculated as the price to the final producer minus the costs of the factors (labour, land, capital) used in the production process. A correct calculation of factor costs is important, because the returns on the resources used (land, labour, capital) for the GI system must be off-set against the possible returns on the best alternative use of these resources, i.e. their opportunity costs. In other words, a GI system may yield satisfactory incomes to the people involved and therefore seems economically viable, but when other uses (other crops, construction, nature reserve etc.) yield higher incomes, the continuity of the GI system is at risk. Anyhow, it cannot be credited for the entire value added, only for the net value.

Another way to measure GI system self-performance is to identify the incomes of farmers and final producers involved and see if the incomes are higher or lower than the average income they would earn in alternative activities / jobs. In these incomes also taxes and depreciation on capital goods and land should be included.

Exhibit 5 illustrates that a high net profit margin per unit is not necessarily the more profitable situation, at least in the short term; a high margin / low volume and a low margin / high volume situation can be equally profitable.

Exhibit 6 Value-added of GI products with different volume and price levels



Besides monetary returns, there are other kinds of ‘income’ that a GI systems may yield for its actors, like:

- Labour satisfaction: making full use of one’s personal qualities, and take pride in making a product with a clear identity
- Satisfaction to share local/regional identity, through the GI product, with colleagues and other habitants of the area
- More equal power balance in the supply chain, favouring farmers, and a more even distribution of incomes over different farmer categories (social equality is associated with both democracy and economic progress; Putnam 2000)

Such bonus can partly compensate for monetary income. So, in addition to the identification of incomes, producers can be asked how they perceive their incomes and working conditions compared to possible alternatives.

To this self-assessment the opinions of other GI system stakeholders or other knowledgeable experts on the producers’ incomes can be added, to cross-check.

4.4.3 Indicators of GI system context-performance

One of the implicit assumptions underlying the SINER-GI project (and many other GI studies) is

that GI systems, when they grow and stabilise, yield net beneficial effects, beyond their own commercial success, i.e. beyond the commercial and social interests of the entrepreneurs involved. This assumption still needs to be verified; we should do our best to prove the opposite.

Good performance of a GI system *vis a vis* its context (external benefits, positive impacts) can be related to three domains: economy, social well-being, and ecology. The effects can be measured by the following indicators.

1. Economy

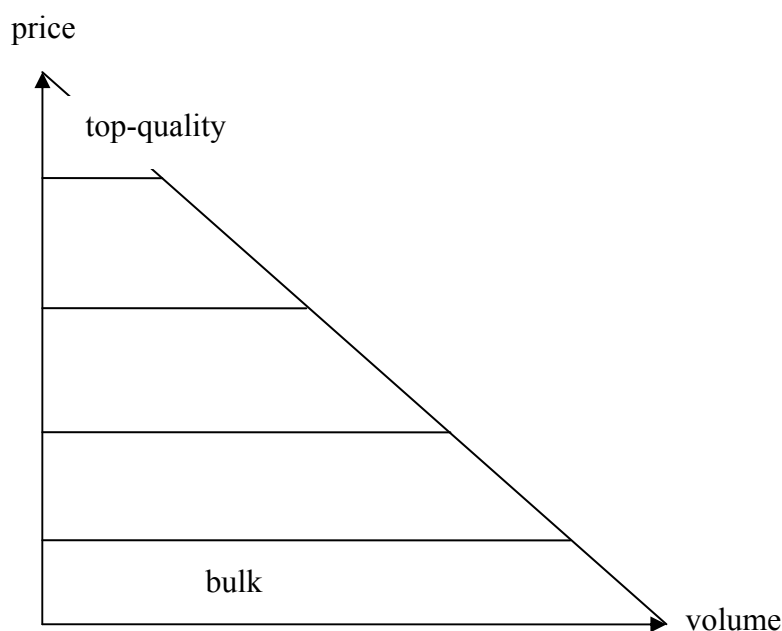
- a. Extra Net Value Added (Δ NVA) of the GI system and the stability of this surplus (see GI system self-performance, above), compared to the NVA of the former use(s) of resources; this Δ NVA can also be taken for the use of local/regional resources only, when the concern of performance is with the GI production area
- b. Synergies with other economic or new activities in the area (tourism, education, forestry etc.) stimulating each other; measured by the Δ NVA induced by the GI system; economies of scope (multifunctionality) in places where economies of scale are not feasible or less remunerative
- c. Spill-over effect to the generic, non-GI version of the GI product; for example, producers of common French wines and Italian cheeses may fetch higher prices just because small quantities of excellent wine and cheese are made there (soft usurpation)
- d. Spill-over of quality-orientedness to food producers elsewhere in the country or region (sector learning effect), although this may mean increased competition to the GI system

Next to positive effect, possible negative effects should also be identified. An example could be possible disproportional use of public resources spent on the GI system instead of for common uses neglecting whether the money is spent efficiently or not. This may happen because some politicians wanted to be associated with the GI product, as a symbol of local identity or of their own good taste.

The big question remains whether GI system development is a “zero-sum game” or a net beneficial phenomenon instead.

Exhibit 6 illustrates the various price-segments in the (regional, national or international) market of one type of product, for example coffee. GI products are expected to be located in the top-quality segment or just below (ignoring for the moment internal quality differentiation within the GI system, which in some cases is substantial). Put differently, GI products may be credited for the fact that they serve an otherwise un-served market segment, thus optimizing the total value that can be drawn from the market (i.e. optimizing the supply of satisfaction to consumers).

Further, a GI product may lift the entire price pyramid of this type of product (see point c above). Even if the price of bulk is lifted a little bit, its sheer volume can create a substantial extra profit.

Exhibit 7 Quality segments in the price pyramid of the market of one product type**2. Social well-being**

- a. Appreciation by local, regional and national inhabitants people (also non-consumers) for salvaging a specific piece of cultural heritage (product, know-how, artefacts, symbols) and preserving a specific landscape etc.
- b. Provision of identity and cultural pride to local, regional, and/or national inhabitants (also non-consumers); emotional basis for self-determination
- c. Conveyance of food knowledge and quality awareness (in general) to consumers
- d. Provision of positive food experience to consumers and visitors (if open)
- e. Maintenance of livelihoods in remote areas, avoiding rural exodus (related to economic synergies; without value added from GI product > insufficient overall incomes > domino > abandonment)
- f. (linked to d.) Optimal use of marginal lands, on which only high-quality / exclusive food can be produced profitably, in an extensive way
- g. More animal-friendly production methods > less public concern (but on the other hand more explicit confrontation of consumers with killing/eating)
- h. More inclusion of elderly or otherwise disadvantaged persons (poor persons, handicapped, ethnic minorities, rural women) in the production process (compared to main-stream); pro-community GI systems
- i. (-) Exclusion of producers outside the area who have few alternatives > displacement effect (all production becomes concentrated in one area)

3. Ecology

- a. More sustainable use of natural local resources as compared to production of mainstream version or alternative production systems, because of quality-orientedness, a more long-term market perspective, measured by:
 - lower use of chemicals > less exhaustion of soil, less pollution of groundwater
 - less soil erosion in mountainous and other marginal area because of good vegetation cover
- b. More preservation *in situ* of biodiversity in plant varieties (including pasture floras) and animal breeds; the use of specific old varieties and breeds may be part of a GI system's code of practices; but in some cases GI systems cause homogenization due to strict production regulations and out-competition of surrounding producers with less defined but therefore sometimes more biodiverse farms (blue agave obligation for Tequila is a case in point).

The context-performance of a GI system is related to its self-performance. If the impacts on the context are positive, or at least perceived as positive by stakeholders, this public appreciation will in part result in positive feedbacks (direct support or indirectly stimulating actions; exhibit ...). Like the investments GI system actors make in their production quality, organizational capacity, commercial network etc. the goodwill generated by the creation of positive external impacts can be seen as a form of (public) capital. This capital may yield more than just a public "licence to produce" (safeguarding continuity in that sense); the goodwill may also be used as a levy for subsidies, private sponsorship, free publicity, support from NGOs etc. This can give GI systems which successfully sell their story to the public domain (see ...) a competitive advantage over mainstream competitors.

This holds in particular for relatively small and new GI systems or GI projects, which do not have the economic bargaining power of established GI systems to obtain favours from governments. In fact, the competitive advantage has a limited time span.

So, when assessing GI system context-performance, possible overlap with self-performance must be identified and accounted for.

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