



**FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS - SINER-GI**

**Sharing views on Quality Products Linked
to Geographical Origin**

**How they can contribute to rural
development?**

31 January -1 February 2008

***"Diversity of institutional framework for GI
systems/markets according to the potential
evolutions of the international trade regime"***

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Diversity of the GI products

- The products, markets and policy features concerning the GIs are fairly diverse:
 - **types of products** bearing to origin or provenance
 - **diversity of initiators / stakeholders** and their **motives**;
 - **market structures** (monopolies, oligopolies, SMEs);
 - **supply chain structures** (long/short, coexistence of large/small firms, etc.);
 - **governance structures** (clubs, channel captains, interprofessional bodies),
 - **consumer behaviours** (familiarity, local and remote consumers, generic or connoisseurs, etc.);
 - **generic marketing systems** (firms selling both GIs and trademarks) / **specific systems** (specialized on GIs);
 - **age** (novel systems / mature systems);
 - **Policy/legal schemes**, legal instruments, enforcement devices, public or private schemes...

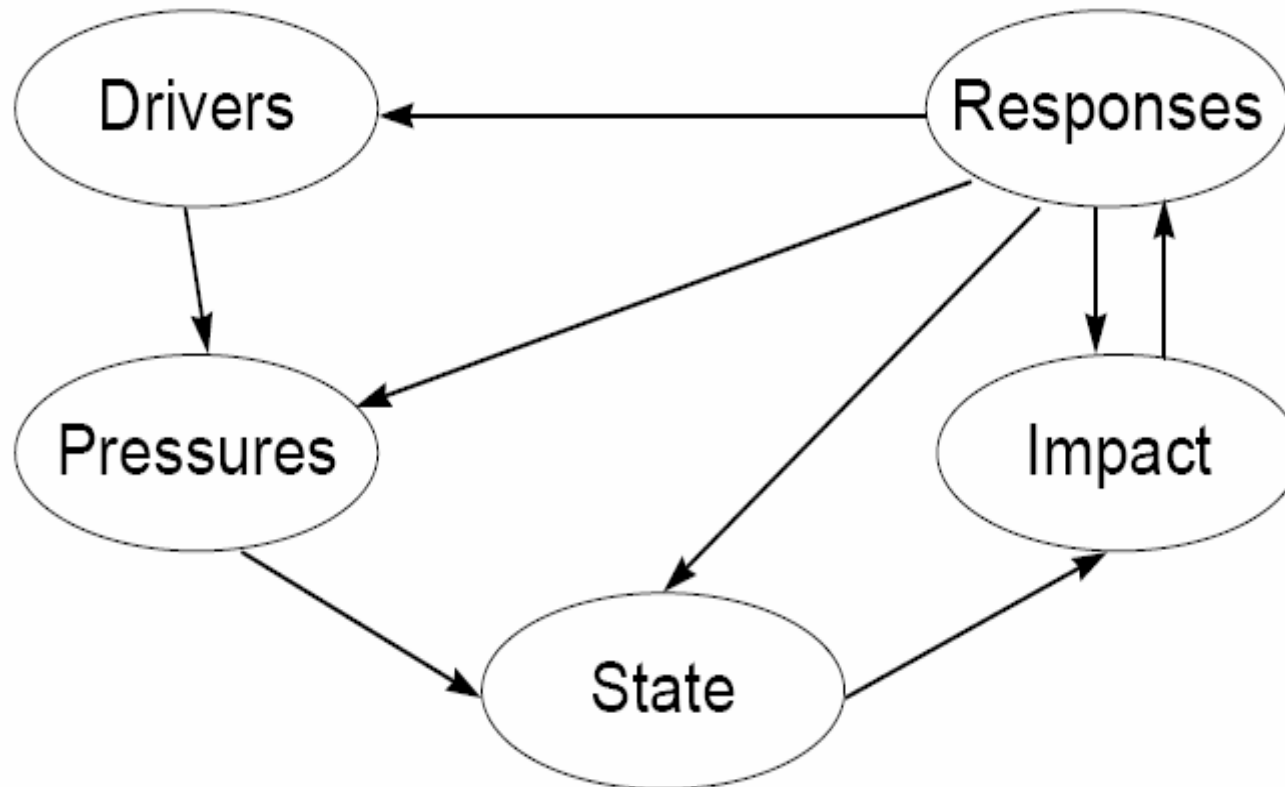
Generic versus specific systems

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

Typology of the GI systems based on contextual variables

Protection Policy	Rural Development Policy	Market Strategic stake	
		Restructuring	Enlargement
P1 : Specific legal framework for GI <i>effective implementation</i>	public or NGO support for Rural Dev	Melton Mowbray pork Pie	Roquefort
	more sectoral support	<u>Tequila</u>	
P2: Specific legal framework for GI <i>non effective or no implementation</i>	public or NGO support for Rural Dev	Pico Duarte Coffee Kajmak	Jinhua Pampean Beef Bleuet du lac St Jean
	more sectoral support	<u>Paprika</u>	
P3: General rules on unfair competition, misleading of the consumers or on trademarks <i>protection effective</i>	public or NGO support for Rural Dev		
	more sectoral support		Florida
P4: General rules on unfair competition, misleading of the consumers or on trademarks <i>protection non effective</i>	public or NGO support for Rural Dev		Rooibos
	more sectoral support	Chontaleno cheese	Basmati

Systems/Schemes trajectories



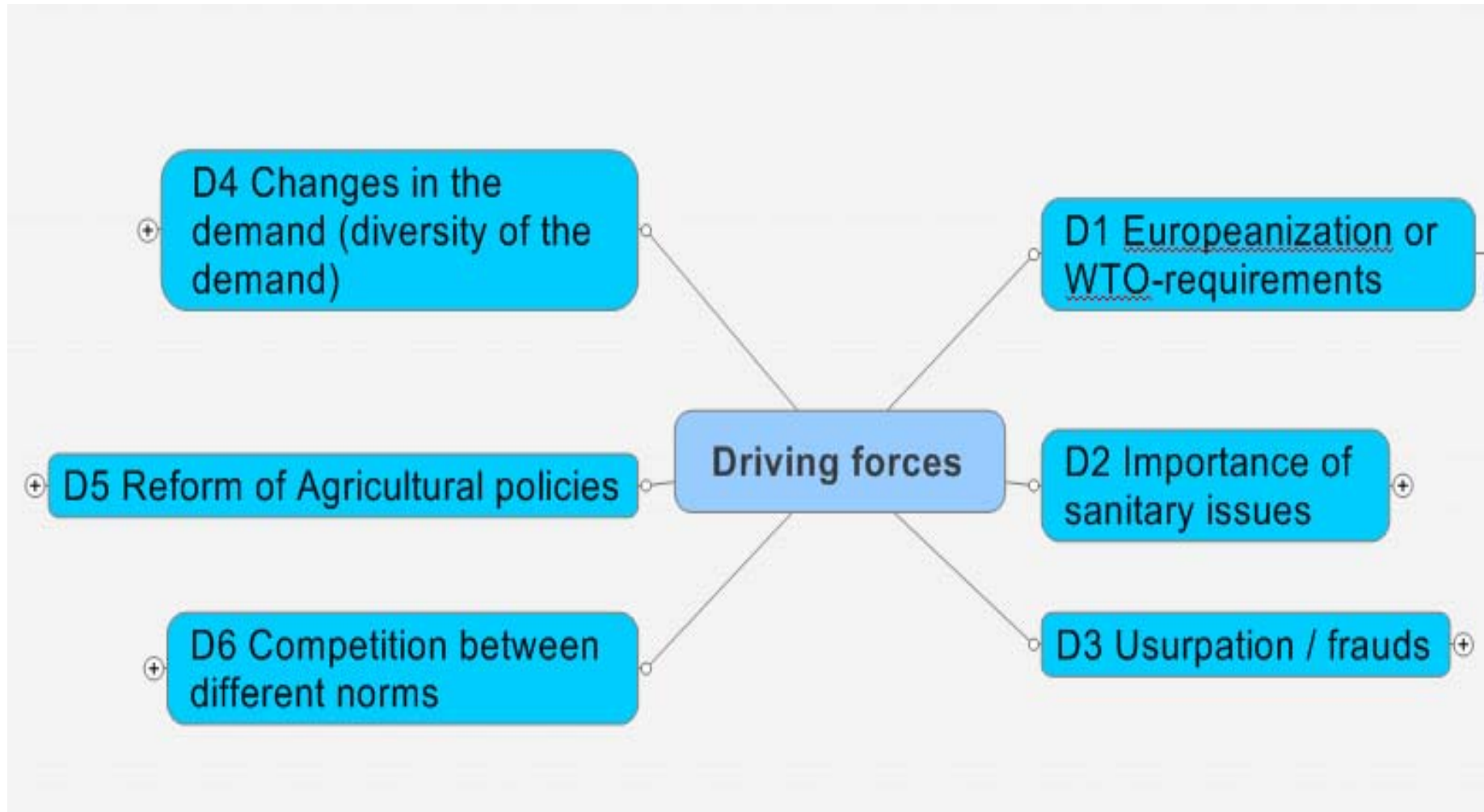
SCENARIOS METHODOLOGY: GI futures in the global market

- **Three scenarios** to contrast the **new international trade regime** trends
- The scenarios concern **the position of origin (IG) as marketing tool in a complex global market universe** in which
 - IPR and norms play an important role
 - Mix of private/public standards
 - Role of supermarkets and multinational retail firms, integration of alternatives (organic, fair trade, herbal pills...)
 - Diffusion of hygiene and health standards

Scenarios concerning the position of origin (IG) as marketing tool

- **CONVERGENCE** on GI visions and “origin” as integrator for different quality attributes
- **DIVERGENCE** on GI visions and “origin” weakening as market sign
- **PLURALITY** of GI visions and quality schemes related to origin (recognized GI, (organic, fair trade...)) and **PLURALITY** of “quality fora”

Diversity of the institutional and legal frameworks for GI: **Driving forces**



Diversity of systems economic trajectories : Driving forces



CONVERGENCE

- The **first scenario** corresponds to a growing role of the GI certification ("origin") benefiting:
 - from sui generis forms of protection
 - and from policies promoting its use in the organisation of global markets
- **Convergence** supposes:
 - not only an international regulation (which is still in debate)
 - but also a convergence of the representations of the value attached with origin within consumers, marketers and policymakers visions
- *Main argument to support convergence: durability of the protection*

DIVERGENCE

- The **second scenario** corresponds to a weakening of the GI recognition in the concrete organisation of large markets and of the influence/efficiency of the European quality forum
- The diversity of quality schemes leads to muddled standards and “quality crisis” (loss of premium).
- Divergence will lead likely to a **global weakening of the origin signs significance** (an attached value) in front of the others specific quality identifiers as "organic", "fair trade", "biodiversity friendly" etc.
- Importance of private quality and control schemes
- *Main argument to support divergence: positioning GI on high premium niche markets*

PLURALITY

- The **third scenario** corresponds to the permanence of the diversity of GIs visions and of qualification and regulatory forums in general.
- **PLURALITY OF INSTITUTIONAL QUALITY FORUMS AND IDENTIFIERS**
- Contrary to the first scenario, the diversity of the GIs products and signs is not an obstacle for the market recognition (at different premium levels) because that diversity is integrated in a diversified but functioning signalling *pluralistic* system.
- Contrary to the second scenario, the third one leaves a room to the collective initiatives.
- Importance of the media system. Relevant initiative groups are "hybrids", they include diverse forms of knowledge.
- *Main argument to support plurality: to combine quality approaches in a sustainable development perspective*

Contrasting the scenarios

	Convergence	Divergence	Plurality
Market vision	Globalization of GI concept (common understanding)	Dominance of private/collective standards	Globalization with market segmentations (regional quality forums)
Rules at international level	Establishment of public common rules for quality and origin	Some basic commons rules (hygiene standards) and IPR general regulation	Basic rules but open for regional/national adaptations and through collective initiatives
Institutions at national and local level	Able to implement international standards and rules in a convergent way	Regionalization of the policies Not able to converge in understanding and implementation of protection provision for GIs	Able to integrate and support different quality schemes toward different segments of consumers

Comparative Analysis Methodology

- Types of geopolitical contexts
 - Diversity of the protection schemes and support policies
- Types of GI systems/markets
 - Diversity of systems economic trajectories (success/failure)
- Variability of the impacts (in a sustainable development) according to
 - The scenarios
 - The contexts
 - The types of GI systems

Institutional / legal frameworks of GI protection schemes

<p>Driving forces</p> <ul style="list-style-type: none"> •Europeanization or WTO-requirements •Importance of sanitary issues •Usurpation (external) / frauds into the SC •Changes in the demand Agricultural policies Reform •Competition between different norms •Local knowledge or biodiversity conservation 	<p>Pressures</p> <ul style="list-style-type: none"> •Establishment (or modification) of laws or procedures for GI (at national or local level) •Missing or contradictory policies •Enforcement problems •Incoherence and/or inconsistency and/or conflicts •US influence •Europe influence
<p>State</p> <ul style="list-style-type: none"> •Lack of coordination between Intellectual property office and Ministry of agriculture (weakness of institutional coordination) Common place GI product •Heterogeneity of specific quality identifiers •Consumer interest in “terroir” products (<i>how to reach new type of demand?</i>) •Difficult appropriation of the GI concept •Failure of initiative groups •Conflicts between branding and GI •Lack of service resource (no national certification body for example) or lack of enforcement •Functioning implementation of GI scheme 	<p>Responses</p> <ul style="list-style-type: none"> •By actors mobilisation (coordination) : •Empowerment of the GI network or formation of (new) initiative group (s) •By law modification (or enforcement) (code of practice and control issues) •By market initiatives (diversification support tools) •By external expertise and funds

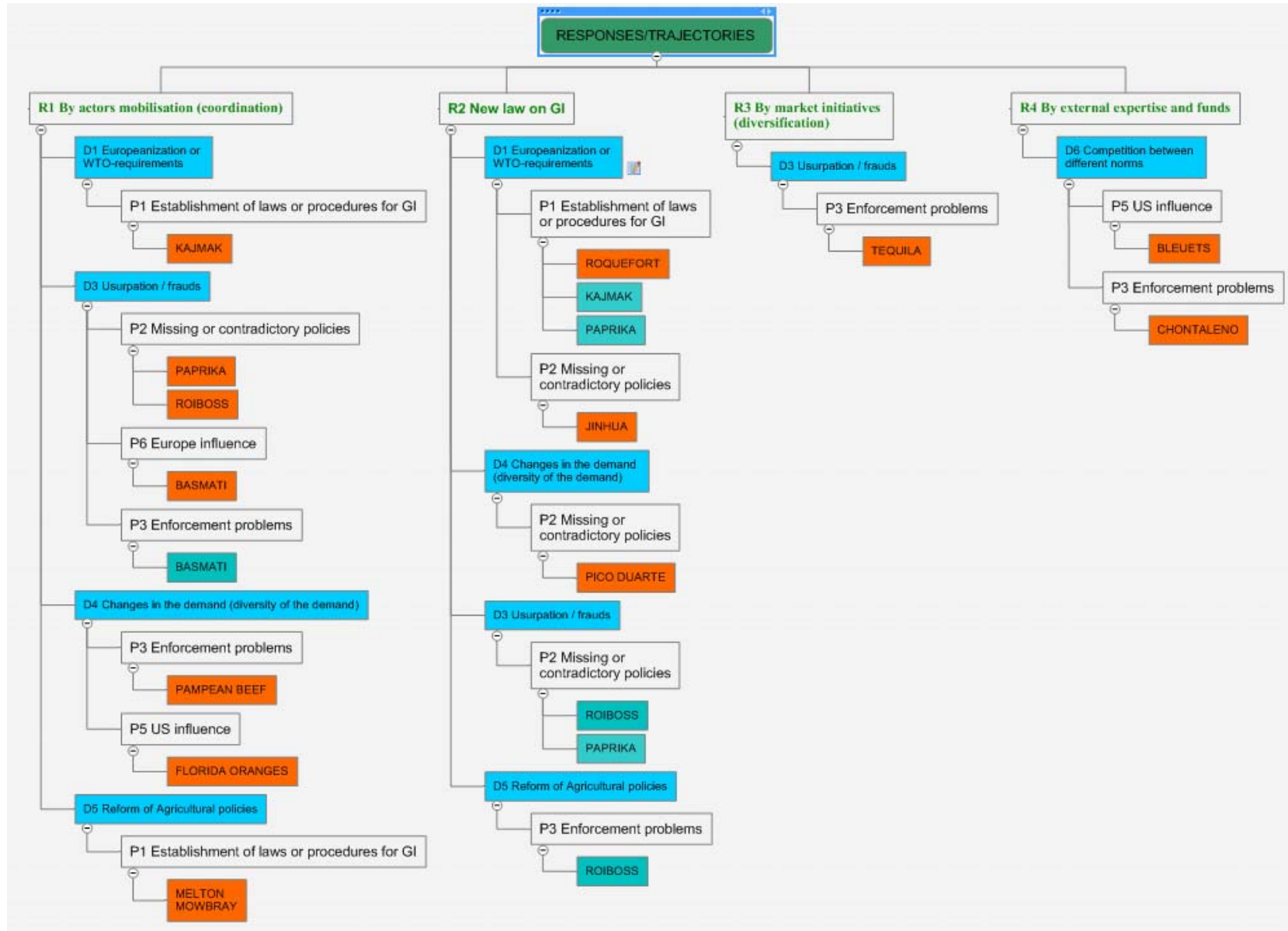
Main trends according to regional contexts: Eastern Europe

<p>Driving forces</p> <ul style="list-style-type: none">•Europeanization or WTO-requirements•Importance of sanitary issues	<p>Pressures</p> <ul style="list-style-type: none">•Establishment (or modification) of laws or procedures for GI (at national or local level)•Enforcement problems•Europe influence (and support) on actors strategies
<p>State</p> <ul style="list-style-type: none">•Weakness of institutional coordination•Consumer interest in “terroir” products (<i>how to reach new type of demand?</i>)•Difficult appropriation of the GI concept at different levels•Failure of initiative groups•Conflicts between branding and GI initiatives	<p>Responses</p> <ul style="list-style-type: none">•By law modification (or enforcement) (code of practice and control issues)•By external expertise and funds <p>By actors mobilisation (coordination)? By market initiatives (diversification support tools)?</p>

GI Systems trajectories

<p>Driving forces</p> <ul style="list-style-type: none"> •Global competition / quality norms harmonisation. Concentration in export market •Structural political change •Rise of living standard / demand for diversity and tourism (shift from domestic demand to more international) / access to European market •Liberalisation (removing of the tariff / building up quality scheme to regain competitiveness) •Decentralisation / reinforcement of local authorities / more role of horizontal government •Biodiversity preservation •International migration 	<p>Pressures</p> <ul style="list-style-type: none"> •Rise of the prices of raw materials / productivity issues / competition costs •Crisis in the valorisation of the product (loose in the premium, decrease of production volume) •Increasing demand (crisis on the supply side) •Demand diversification •Importance of the sanitary norms •New juridical framework
<p>State</p> <ul style="list-style-type: none"> •Diversification of Business Model with the time •Emergence of the supply chain (local to national or international) and scaling-up process •Intensification of the level of raw-material and/or modernisation •Muddled norms •Quality heterogeneity 	<p>Responses</p> <ul style="list-style-type: none"> •Innovation new products / new markets •Innovation by intensification / modernisation •Institutional innovation (define and/or clarify norms) •Institutional innovation: horizontal coordination •Institutional innovation: sectoral coordination

Market diversity: trajectories and actors' responses



Regional contexts and scenarios: Latin America

CONVERGENCE	DIVERGENCE	PLURALITY
<ul style="list-style-type: none"> • Many GI experiences are in process • Existing convergence (in TRIPs) for wines and spirit sectors (Tequila) 	<ul style="list-style-type: none"> • It is the current scenario: <ul style="list-style-type: none"> • Multiplicity of quality schemes and of GI approaches. • Importance of private qualification schemes. • No clear vision of what a GI is. There is a strong culture of trademark. • Recent laws for GIs although there are currently no used. • Use of geographical names as trade marks • Divergence between national institutions. 	<ul style="list-style-type: none"> • GIs are perceived as a marketing tool and for quality. • There are interactions with sanitarian issues. • Mainly certification marks but recent development of GIs • Reservation of geographical names • The most probable scenario is plurality because of the tension between the US and UE framework.

Regional contexts and scenarios: Latin America

CONVERGENCE	DIVERGENCE	PLURALITY
<ul style="list-style-type: none"> •General “convergence” will be more favourable for established and large market GI systems 	<ul style="list-style-type: none"> •Favourable for export oriented sectors (private certification schemes) 	<ul style="list-style-type: none"> •Favourable for niche markets (domestic and international markets)
<ul style="list-style-type: none"> •Power close to processors... But large and even multinational firms: wine and spirit sectors, coffee) •Weak interest for domestic markets due to cost of certification and control 	<ul style="list-style-type: none"> •Power close to trader and large retail firms 	<ul style="list-style-type: none"> • Which part of the power to organized small scale producers? Citizen (NGOs)? Consumers? •Many GI initiatives are based on factors such as biodiversity, local culture and knowledge, and receive for that reason some support for the local, national, international institutions, independently of GI protection!

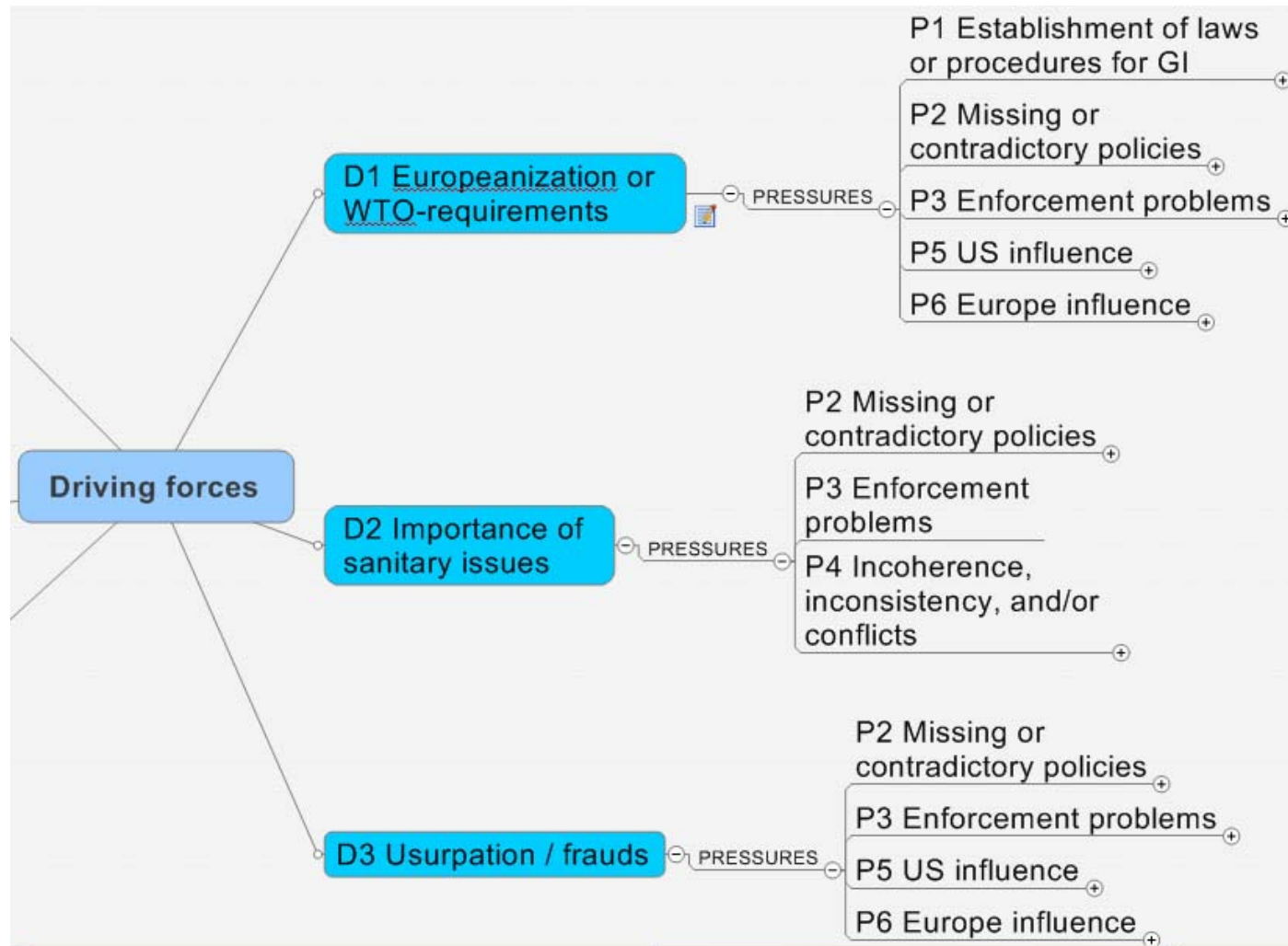
Conclusion

- Gis schemes and systems are diverse but in a globalizing world were IPR and signs replace industrial norms...
- The role of the GI concept in the extension of quality schemes is an open question (while member states complain with WTO requirements...)
- It is a political issue (WTO) and a *market institutions* issue (scenarios)
- The main issue: how the multiplicity of quality schemes combine at several levels



Thank you for your attention

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