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SINER-GI First Meeting

WP2 Presentation

SOCIAL AND ECONOMIC ISSUES: THE GENERAL FRAMEWORK

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WP2 aims in the Project framework:

SINER-GI GENERAL AIM: to analyse the effects of Geographical indications (GIs) for agri-food products

→ To develop a **theoretical model** for monitoring and measuring the impact of GIs and evaluating their conditions of success (WP3) by :

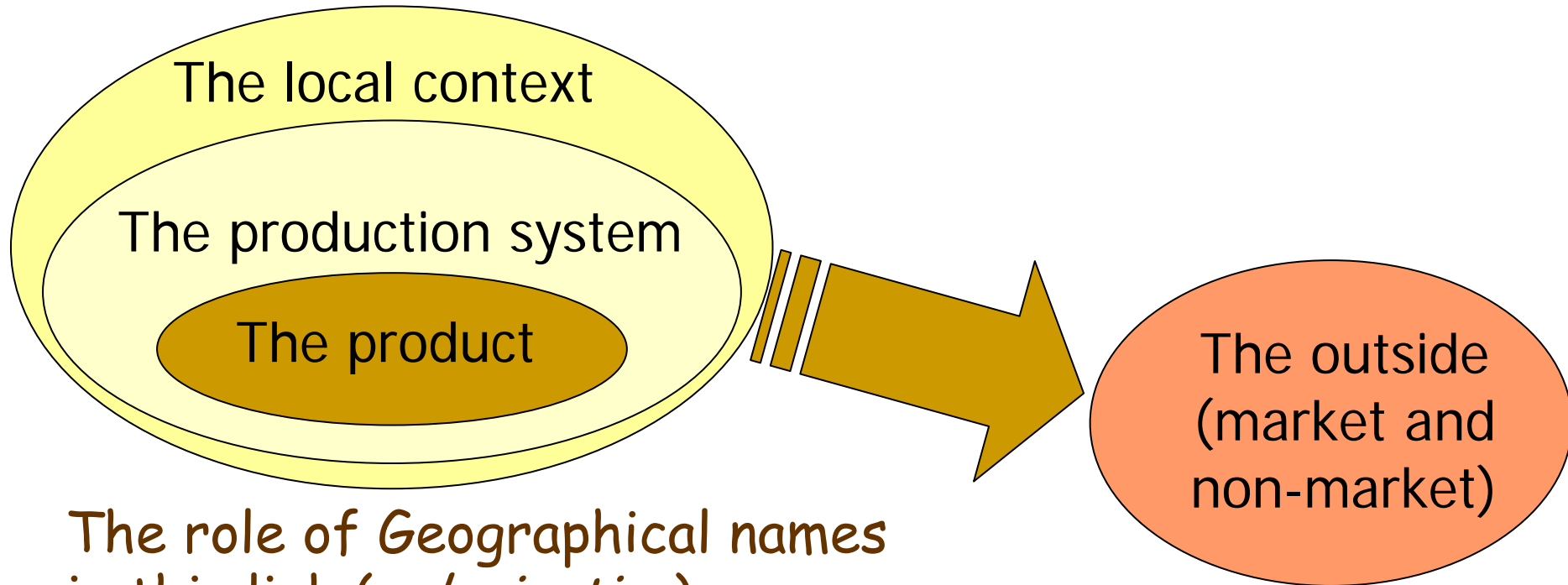
- identify the diversity of institutional arrangements aiming at protecting GIs throughout the world; the analysis will consider the different levels and kinds of protection in different countries (with special reference to Developing Countries) and for different products; (WP1)
- identify the effects of GIs with respect to economic growth and income distribution, rural development dynamics, environment impact (biodiversity, pollution, landscape), culture and traditions; the study will consider the different market structures and products, and the institutional frameworks (WP2).

WP2 aims in the Project framework:

WP2 focuses on **social and economic impacts** of implementation of GIs protection schemes on:

- supply chains
 - rural development and social aspects
 - the environment (in a broad sense)
 - consumers and citizens
-

WP2 general framework



The role of *Geographical names* in this link (*valorisation*):

- opportunities and problems
- need for regulation
- effects on the outside of the regulation schemes
- feed-back effects (on the production system and on the local context)

Main points in building WP2 framework

- A) The concept of Origin Product (OP) and the "origin products world"
 - B) The OP valorisation as a process (and the Gi protection schemes as a step in this process)
 - C) The effects of GI protection schemes
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A

**The concept of origin product
and the “origin products world”**

1) The concept of origin product: consolidate common definitions

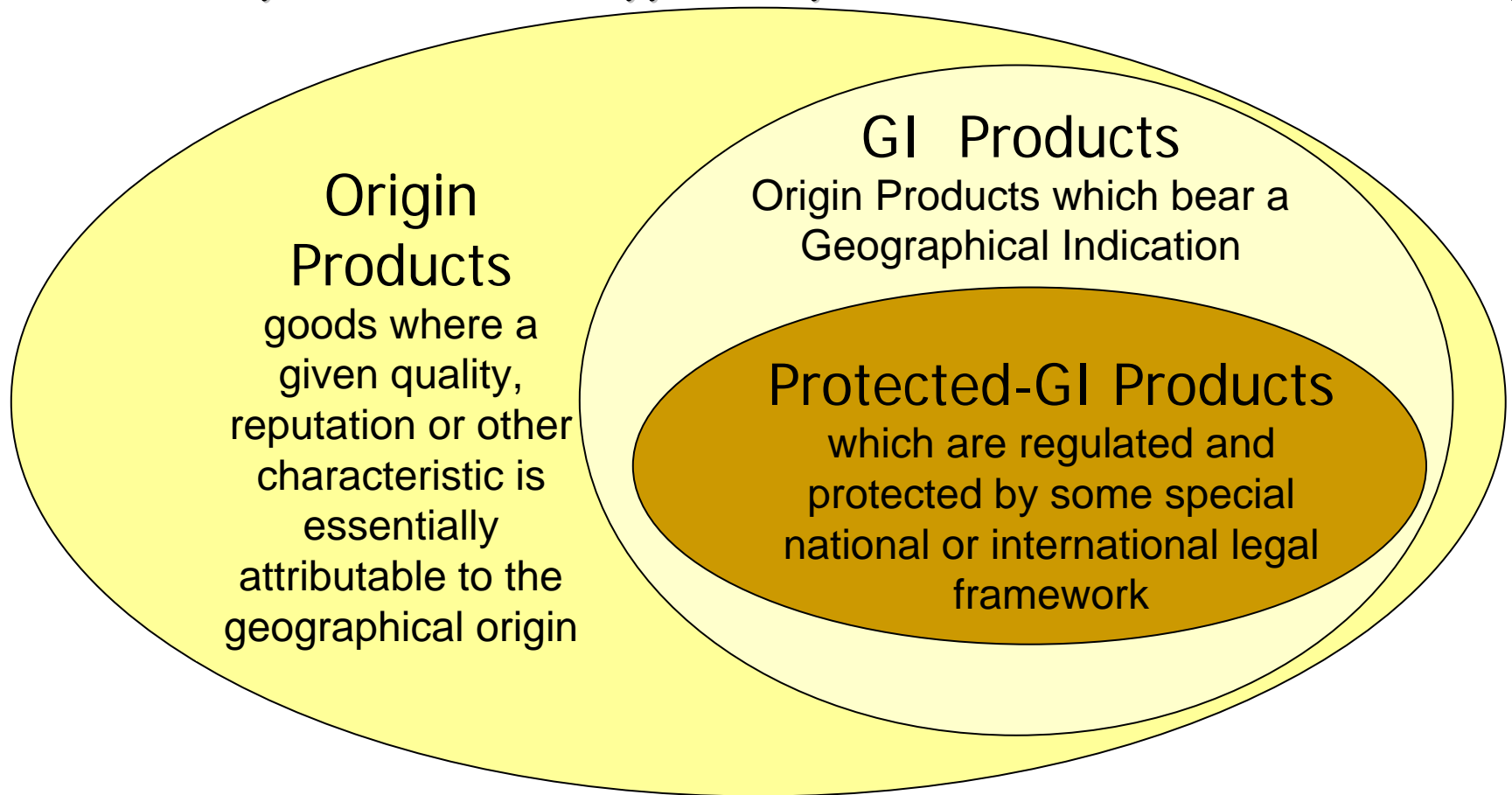
Our basis

→ Article 22.1 of the TRIPS Agreement :

Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.

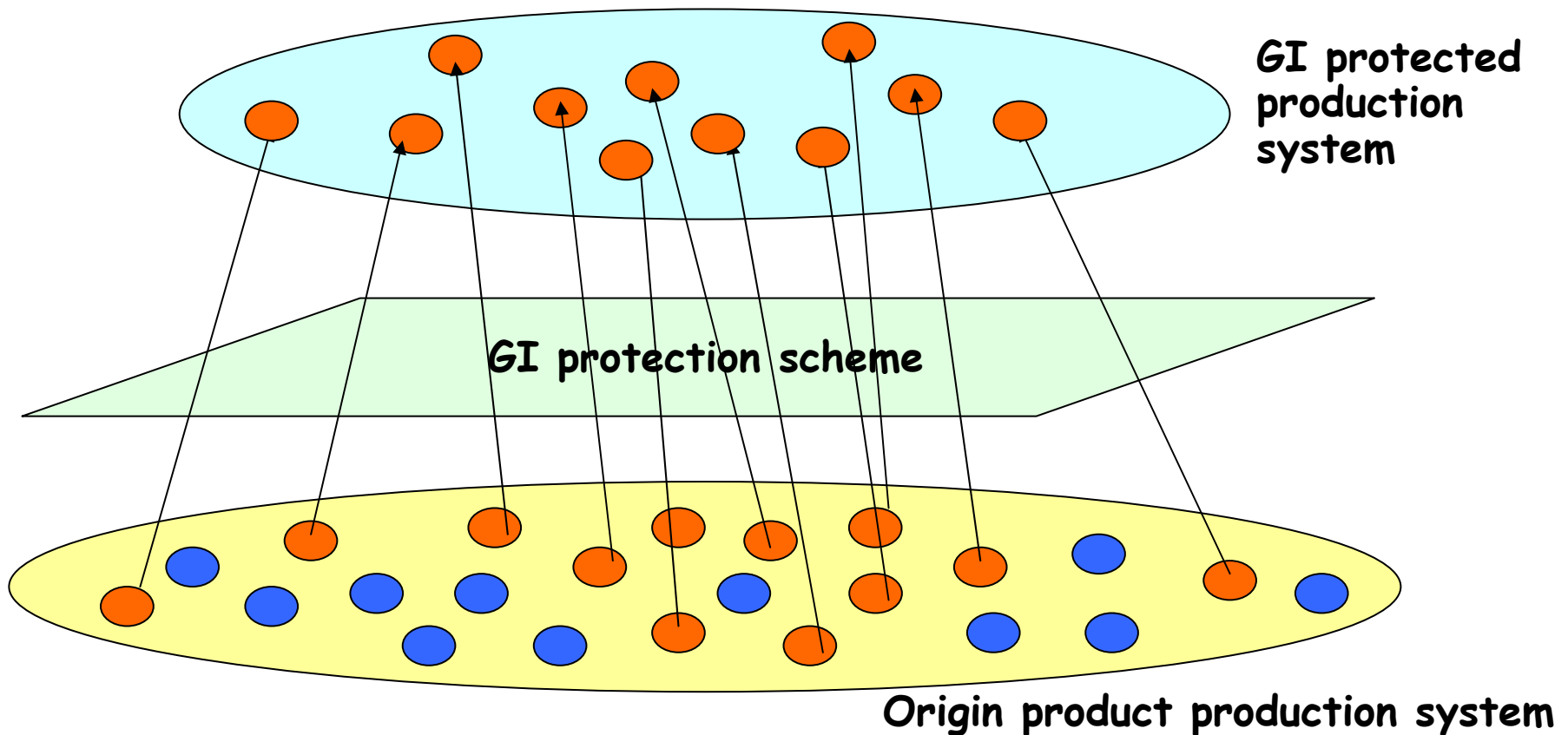
1) The concept of origin product: consolidate common definitions

A taxonomy of different types of products linked to the territory



The concept of origin product: consolidate common definitions

The situation of a given Origin product X at the moment T



The concept of origin product

Origin products are the expression of a multifaceted set of territorial resources, including both natural and human resources, history, culture

→ we need to explore the many links Origin Products have on local resources

... but keeping in mind that the link between the OP and the territory is rediscovered and reinterpreted BY LOCAL ACTORS on the basis of a PROJECT

→ Origin product as a social construction

→ *consequently: the OPs multifunctionality*

Thanks to their manifold links to territory of origin, the OPs can fit many needs of the society. In particular:

OP characteristics		<i>Function fulfilled</i>
<ul style="list-style-type: none">• Localisation in less developed areas• More labour-intensive processes• Production systems based on small-medium enterprises• Support for economic diversification• Participation of local communities	→	<i>Rural development Social development</i>
<ul style="list-style-type: none">• Traditional farming systems• Exploitation of traditional breed and vegetal varieties	→	<i>Amenities (landscapes), Environment (less pollution), Biodiversity ...</i>
<ul style="list-style-type: none">• Keeping local culture and identity (gastronomy, traditions, lifestyles, etc.)	→	<i>Cultural heritage Variety of food</i>

2) ... and the “origin products world”

Origin products is not an homogeneous category, it does exist a great diversity of typologies of Origin Product systems according to various dimensions and aspects

→ we need to analyse the diversity of Origin Products Systems.

There are different points of view in analysing this diversity:

- *strength of the link with the territory (local culture, environment, ...)*
 - *volume of production*
 - *structure of the supply chain*
 - *OP reputed or non reputed*
 - *type of actors involved*
 - *embeddedness in local / social systems*
 - *...*
-

The diversity of Origin Products Systems: Dolphins taxonomy

Table 4. Final typology (some French and Italian examples)

<div>Logic →</div> <div>Dynamics ↓</div>	Territorial logic Several firms negotiating with each other mostly on a territorial basis in formal or informal contracts and institutions	Sectoral logic Several firms in the same sector negotiating with each other in formal or informal contracts and institutions	Corporate logic ONE firm or several firms not negotiating
Emergent Developing systems Challenge: to develop	I Piment d'espelette Beurre d'Echiré Ciliegia di Lari	III Pelardon	V UK examples NL: Campina Melkouni (Nord Hollandse Edammer)
Developed systems Challenge: to manage and defend	II Nyons (+++) Comté (+) L'Étivaz (++) Laguiole (++)	IV Parmigiano Roquefort Gruyère Parma Ham	VI Beurre Charente Poitou Peza Olive Oil

B

The OP valorisation as a process
*(and the GI protection schemes
as a step in this process)*

3) The OP valorisation process

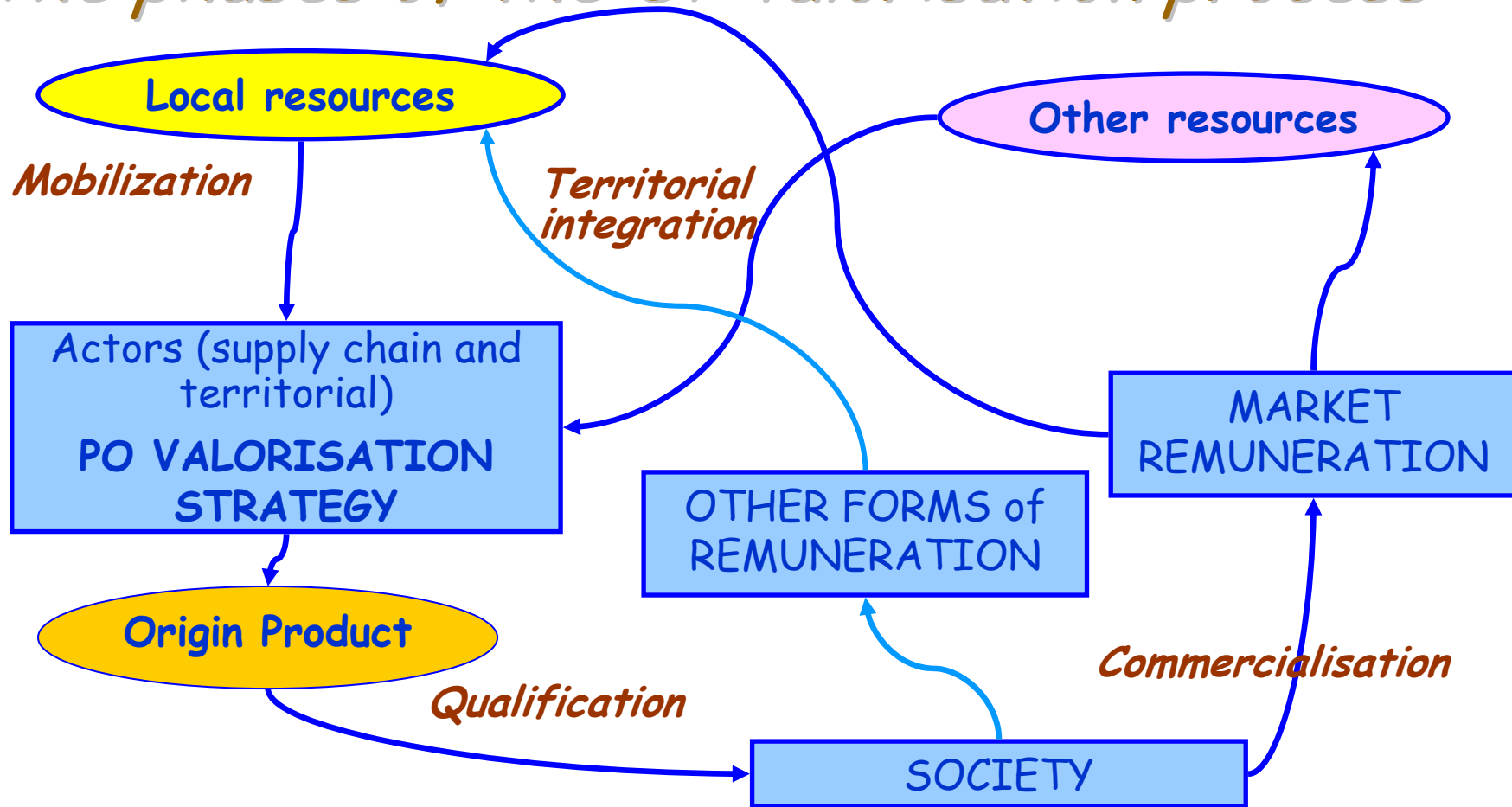
The valorisation process of Origin products have **different phases** and uses **many tools** ...

... and the use of GI protection schemes is only one between these tools.

→we need to understand the whole valorisation initiatives around the origin product (**valorisation strategy**) and to analyse the roles the GI protection schemes may play within this valorisation process

- *The GI protection scheme is only a (eventual) step in the valorisation process of the Origin Product.*
 - *This is very relevant:*
 - *in the perspective of the local actors involved*
 - *in the perspective of the public policies*
-

The phases of the OP valorisation process



→ *The central role of the actors*

→ *The "success" of OP depends on the valorisation strategy as a whole*

The GI protection scheme as a process

- Also the use of the GI-protection scheme (as PDO-PGI in the EU) imply a process, with many steps.
- Our analysis (and the public policies) should consider all the phases of the process,
 - ...from the animation and empowerment of local actors
 - ...
 - ... to the implementation of the GI protection scheme (i.e. Product Specifications)
 - ... and to the collective firms organisation in the market
- The effects of a PDO-PGI depends on many phases of this process

4) The diversity of stakeholders and of interests

There are many stakeholders involved in the valorisation of Origin products, each of them showing specific interests and aims

- *Very often OP is perceived by actors as a local resource by which more general valorisation initiatives can be made (links between the OP and other local resources, goods, services ...)*
- *Different typologies of stakeholders: firms of the supply chain (local/non local, big/small, etc.), local institutions, local population, other firms, consumers, citizens ...*

→ We need to analyse the diverse motivations stakeholders have, and the role OPs can play in rural development strategies, in multifunctional models of agriculture, in new consumption patterns ...

C

The effects of Gis protection schemes

5) The possible roles of GI protection schemes

Origin Products often use a Geographical Indication (GI), the lack of regulation and protection of which may cause serious problems

→ GI protection schemes are an important element in the valorisation process

- *Making use by local actors of a geographical name to identify the Origin Product is an important step in the process of self-consciousness of the "specificity" of the OP itself.*
- *In general, the GI protection is perceived as a tool useful to link to the territory the added value of the OP ...*
- *... But the aims pursued by the GI protection are various: from the defence against frauds, to building a support for collective marketing initiatives, to developing territorial strategies of development → different strategic focus*

→ *the different actors «strategic focus»*

Some researches highlights two idealtypical strategic focus of the actors involved in the process for the GI protection:

	CONCENTRATED → Supply chain	EXTENDED → Territory
General aim	The OP per se: protection and increase of the "reputation rent" linked to the geographical name	The OP as element of attraction for a diversified supply of goods and services
PDO/PGI role	Central	Subordinate
Activator of the initiative	Supply chain firms (mediation of public institutions)	Local associations Public institutions
Focus of the Product Specifications	Consumer driven Production costs Adaptation of techniques	"Orignary" identity History and culture
Problems	Disagreements on the Product Specifications Loss of product specificity for increasing competitiveness	Weak involvement of PO producers PDO/PGI as a "medal"

6) The effects of the GIs protection schemes: the aspects involved

GI protection schemes have effects on different aspects of Origin Products systems

→ we need to analyse the effects of GI protection schemes on economic, social, cultural, environmental aspects

- *Does the protection of the GI reinforce the positive effects OPs have on the production system and on local system?*
- *Has the protection itself some other effects?*
- *Do the effects depend on the way actors designed and use the protected GI?*
- *How much do they depend on the structure of the legal and administrative mechanisms of the GI protection scheme?*

The effects of OP valorisation by way of GI protection schemes

SUPPLY CHAIN EFFECTS:

- Economic effects on firms and on the supply chain as a whole (prices and volumes, employment, added value, etc.)
- Organistional and governance effects in the supply chain

... BUT NOT ONLY SUPPLY CHAIN EFFECTS:

- External effects: impacts on environment, landscape, biodiversity, cultural heritage, etc.
- Social effects: rebuilding local dynamics and identities, supporting local innovations
- Rural network effects: stimulate other activities, support to economic diversification
- Consumers welfare
- ...

7) The effects of the GI protection schemes: the actors involved

GI protection schemes may have very different effects on the stakeholders involved

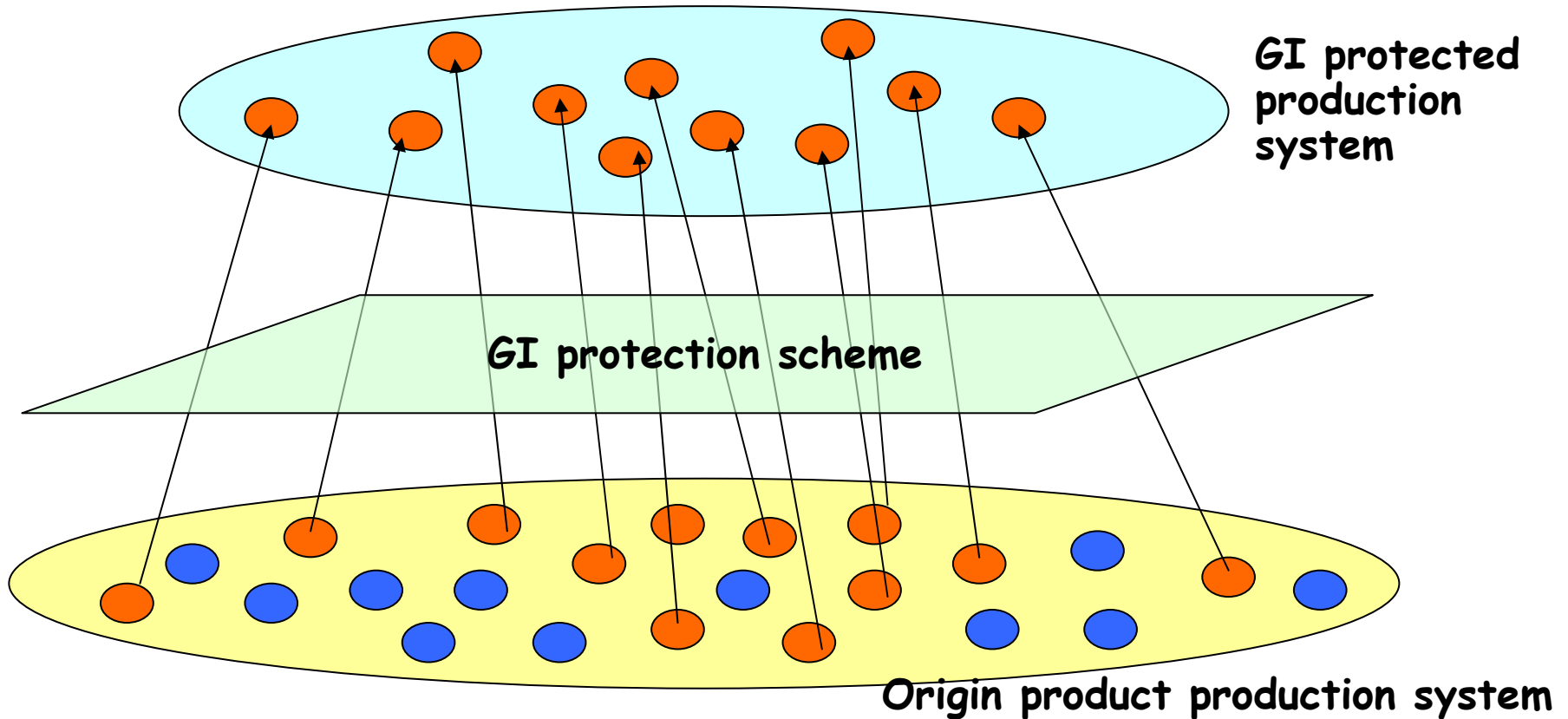
→ we need to analyse effects of GI protection schemes on the diverse categories of actors directly or indirectly involved

- *There are different categories of actors involved in the OP system*
 - *... and inside these categories there is a big heterogeneity.*
 - *These categories / types of actors have specific interests in OP and specific motivations in its valorisation.*
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How to evaluate the "success" of the protection of a GI?

- What "success" means?
- Who are the actors? Why did they choose to use a GI scheme? What kind of conflict did that process generate? Etc..
- We may consider factors of success (and positive vs negative effects) from different points of view:
 - public/private
 - agricultural/processing phase of the supply chain
 - firms/inhabitants/citizens
 - individual/collective level
 - local/non local level, etc.
- Value reallocation :
 - horizontal (between firms of the same stage of the s.chain)
 - vertical (between firms of different stages)

Origin products, GI protected products, and effects of schemes of protection



Why we have ● firms and ● firms?

Are there structural differences between the two types?

What happens to ● firms after the recognition of the GI protection ?

Inclusion and exclusion effects

- The protection of a GI authorise the appropriation of the patrimony of the OP by someone, and exclude others
 - Possible conflicts between different types of firms: artisanal vs industrial, professionals vs non-professionals, farmers vs processors, ...
 - And between categories of agents: firms, local institutions, inhabitants ...
 - Need for the identification of the “pilots” of the initiative, of the winners and of the losers ...
- ... but also the lack of protection generate winners and losers!

In conclusion: Different levels of analysis to be considered

- Micro level: firms, consumers, market ...
- Meso level: supply chain governance and dynamics, territorial and rural development, multifunctional aspects ...
- Macro level: trend of agro-food system, evolution of public policies, protection frameworks at national and international level...

... and from different point of view and perspectives

- Economic, social, environmental, sustainability, equity ...
-

On the basis of this framework, in the Guidelines we tried to identify the main “areas of interest” of the WP2 analysis ...

See you tomorrow for the presentation of the guidelines
