SINER-GI project
Montpellier Plenary meeting
6 – 7 September 2006

Report 3 : main findings from workpackage 3 “conceptual synthesis”
B. Sylvander and G. Allaire
(P1 - INRA – Toulouse)
The WP3 report (D3)

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

- Introduction
- 1. Overall context
- 2. Definitions
- 3. Diversity of GIs’ systems and GIs’ protection schemes
  - a. Product and product networks
  - b. Market rules and markets’ patterns
  - c. Typology of the GIs systems
  - d. Polity and policy networks
- 4. Cases study selection and Success factors
- Conclusion
The objectives of WP3

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

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

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

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

So there are:

- A pragmatic issue: which types of goods are concerned
- An institutional issue: which types of identifiers are concerned
2. Definitions (recall)

- **Origin Products**
  - Koura Olive Oil (Libanon)
  - Scotch beef (UK)
  - Argan oil (Morocco)
  - Careway cheese (Latvia)

- **GI Products**
  - Protected GI Products
3. Diversity of the OP/GI systems

- Product and actor’s network
  - The governance issue
- Market patterns and market rules
  - The scaling up issue
- Policies and public action instruments
  - The protection / support issues
a. Product and actors’ networks

- Diversity of **products** with a geographical identifier, within the frame of the global quality economy
- Diversity of **initiators / stakeholders** and their motives
- Diversity of **organisations and governance forms**
Diversity of products with a geographical indication as identifier, within the frame of the global quality economy (D2)

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

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

Other stakes can be mentioned:

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

Adapted from Sautier (2005)
Their natures are diverse

- Producers *(most of the European cases)*
- Interprofessional bodies *(most of the European cases)*
- Governments *(Mexico, Greece, ..)*
- Consumers
- Others
Market structures and governance

- Many different market structures
  - Single firm: *(Zagora apple, laguiole)*
  - Monopoly with fringes: *(Roquefort, crottin de chavignoles)*
  - Oligopoly: *(Beaufort)*
  - Scattered structure: *(Parmiggiano reggiano, It)*

- Several governance forms
  - Corporate governance: single firm, channel captain
  - Clubs (collective marks, certain CTM ?)
  - Interprofessionnal bodies / unions
    - Weak: *(Cantal, F)*
    - Strong: *(Comté, F)*
### Three theoretical governance forms
*(Dolphins, 2004)*

<table>
<thead>
<tr>
<th></th>
<th>Market features</th>
<th>Decision making</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Territorial governance“</td>
<td>Local markets and networks</td>
<td>Main decision makers are supported by local institutions and share a common interest with local actors</td>
</tr>
<tr>
<td><em>(Charlevoix lamb, Ca)</em></td>
<td></td>
<td></td>
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<tr>
<td>&quot;Sectoral governance“</td>
<td>Global market rules</td>
<td>Collective body (any kind of &quot;filière coordination&quot;) manage part of the decisions</td>
</tr>
<tr>
<td><em>(Scotch beef, UK)</em></td>
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<tr>
<td>“Corporate governance”</td>
<td>Global market rules</td>
<td>A single firm or a “channel captain”</td>
</tr>
<tr>
<td><em>(Zagora apple, Gr)</em></td>
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</tbody>
</table>
b. Market rules and market configurations

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

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

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

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Special protection schemes and consumers

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

- Market structures are quite diverse in the GI sectors, but:

- Are GIs sectors mainstreaming?
  - Attractivity for GI products is high
  - Industrial firms and small holders operating on segmented markets: weak competition
  - They may be operating on same markets:
    - Problems
      - Trademarks not always registered, usurpations / imitations, etc.
      - Necessity of knowledge transfer, not easily accessible.
The scaling up issue

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

Scaling up issue

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

Generic strategy
Generic knowledge
Mainstream marketing
Comply with the mainstream’s market rules: opportunities and threats

Novel or mature systems?
c. Typology of the OP/GI systems

“A GI System is a organisation of actors’ networks (privately or cooperatively owned), involving several types of stakeholders, including producers and consumers, which aims to improve the strategic marketing position of the GIs products by adding value to the a specific raw product through processing or marketing”

Main variable: generic / specific system

Second possible variable: novel / mature system? Not decided yet
## A typology based on genericity

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

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

- Differences in the history and among the national contexts

Sylvander et al. 2005, 2006
Two variables for the policies

1. « Kind and level » of the protection schemes
2. Other policy support
A typology for the GI protection schemes (D1)

- From prevention and repression of misleading or unfair use, with an enforcement on private initiative → to definition of right holders and public enforcement
- From TM → to protected and registered GIs, through Certification Trademarks and weak GIs
- From freedom of packaging and labelling → to requirements on those items
- From wines and spirits → to all kinds of products
- From juridical decisions → to administrative ones
From permissive protection schemes to prescriptive ones \((D1)\)

<table>
<thead>
<tr>
<th>Permissive scheme</th>
<th>Prescriptive scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevention and repression of misleading or unfair use - Enforcement mainly on private initiative</td>
<td>Definition of right holders and public enforcement</td>
</tr>
<tr>
<td>Individual trademarks</td>
<td>Col/ certification marks</td>
</tr>
<tr>
<td>Definition of GIs when a conflict occurs</td>
<td>Definition of GIs by regulations</td>
</tr>
<tr>
<td>Registered GIs (weak requirements on quality)</td>
<td>Registered GIs with general requirements on quality</td>
</tr>
<tr>
<td>Registered GIs with general requirements on quality</td>
<td>Registered GIs with special requirements on quality (tradition, terroir…)</td>
</tr>
<tr>
<td>Initiative from producers in relation with public policies</td>
<td>Purely administrative rules</td>
</tr>
<tr>
<td>Wines</td>
<td>Agro-food products</td>
</tr>
<tr>
<td>All kind of products</td>
<td></td>
</tr>
</tbody>
</table>
Refine this variable? (debate of this morning)

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

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

- Weak support / strong support
4. The analytical grid
A theoretical basis for the case study selection (example, to be refined)

<table>
<thead>
<tr>
<th></th>
<th>Generic</th>
<th>Specific</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Novel (?)</td>
<td>Mature (?)</td>
</tr>
<tr>
<td>Permissive scheme</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(slow ?)</td>
<td>Weak public support</td>
<td>1</td>
</tr>
<tr>
<td>Heterodoxy ?</td>
<td>Strong public support</td>
<td>3</td>
</tr>
<tr>
<td>Consumer ?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prescriptive scheme</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(fast ?)</td>
<td>Weak public support</td>
<td>5</td>
</tr>
<tr>
<td>Orthodoxy ?</td>
<td>Strong public support</td>
<td></td>
</tr>
</tbody>
</table>
Success factors?

- « Success » does not mean much at a general level (taking into consideration the great observed diversity of the OP/GIs’ systems and the GIs’ protection schemes)
- Success objectives / factors / criteria will be different in different OP/GI systems
- Therefore, we propose to define success with regards to:
  - The internal goals of the studied OP/GIs’ systems
  - The contribution to the three dimensions of sustainability:
    - Economic efficiency
    - Social equity
    - Environmental integrity
- Methodological problems for assessing development impacts (D2)
## D2: Impacts of the OP/GI systems on sustainability (1/2)

<table>
<thead>
<tr>
<th>Economic</th>
<th>Rural devlpt</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td><strong>Market regulation (spillover effect)</strong>&lt;br&gt;Introduce modern management tools&lt;br&gt;Enhance collective action&lt;br&gt;Makes alternative marketing possible&lt;br&gt;Protect SME</td>
<td><strong>Market effects</strong> <em>(Costa Rica coffee)</em>&lt;br&gt;Risk for the added value to be captured by big firms <em>(multiple retailers (Migros/coop CH))</em>&lt;br&gt;Flexibility and innovation problems&lt;br&gt;Exclusion effects <em>(Foie gras, F)</em></td>
</tr>
<tr>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td><strong>Promotes local development / networks</strong>&lt;br&gt;Enhances multifunctionnality&lt;br&gt;Protects / enhances know how, resources, identity&lt;br&gt;Roots activities in the region&lt;br&gt;Maintain SME&lt;br&gt;Keeps added value to producers</td>
<td><strong>Problems with power balance</strong>&lt;br&gt;Conflicts between multifunctionnality domains&lt;br&gt;Necessity of a critical mass <em>(North UK)</em>&lt;br&gt;Exclusion effects</td>
</tr>
</tbody>
</table>
### D2: impacts of the OP/GI systems on sustainability (2/2)

<table>
<thead>
<tr>
<th>+</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Codes of practices tool can be used for that purpose&lt;br&gt;Local genetic resources → biodiversity&lt;br&gt;Positive image can be exploited for environmental issues</td>
<td>Generally: nothing in the regulations about environment&lt;br&gt;Some derive effects (in some cases, economic growth takes precedence over environment) <em>(Roibos tea)</em></td>
</tr>
<tr>
<td>OP/GI systems</td>
<td>1</td>
</tr>
<tr>
<td>---------------</td>
<td>---</td>
</tr>
<tr>
<td>Specific objectives</td>
<td></td>
</tr>
<tr>
<td>Sustainability dimensions</td>
<td></td>
</tr>
<tr>
<td>Specific Criteria</td>
<td></td>
</tr>
</tbody>
</table>
## Specific factors of success: 4 examples

<table>
<thead>
<tr>
<th>Description of the OP/GI system</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type</strong></td>
<td>Permissive</td>
<td>Permissive</td>
<td>Prescriptive</td>
<td>Permissive</td>
</tr>
<tr>
<td></td>
<td>Strong support</td>
<td>Weak support</td>
<td>Weak support</td>
<td>Strong support</td>
</tr>
<tr>
<td></td>
<td>Specific</td>
<td>Generic</td>
<td>Generic</td>
<td>Specific</td>
</tr>
<tr>
<td></td>
<td>Mature</td>
<td>Novel</td>
<td>Mature</td>
<td>Novel</td>
</tr>
<tr>
<td><strong>Internal Objectives</strong></td>
<td>Local Development</td>
<td>Access to markets</td>
<td>Fight against usurpation</td>
<td>New GI Externalities</td>
</tr>
<tr>
<td><strong>Sust. Social</strong></td>
<td><strong>Rural development</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sust. Environmnt</strong></td>
<td>Minimal</td>
<td>Minimal, fight against derives</td>
<td>Minimal, fight against derives</td>
<td>Environment: landscapes, IPM</td>
</tr>
</tbody>
</table>
a. Analytical grid for stakeholders’ / actors’ success factors

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

3.2. Relevance: specific products and relevant markets
   - 3.2.1. Codes of practices and quality
   - 3.2.2. Market and valorisation

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

3.4. Ability to manage the dynamics
   - 3.4.1. manage the scaling up issues
   - 3.4.2. manage the flexibility issues

Adapted from Barjolle & Sylvander (2002)
b. Analytical grid for relationships between actors and society

41. The ability of the actors/systems to networking / negotiation / lobbying on public policies / forum shopping

42. The actor’s / systems’ credibility (ability to report on the controls)

43. Accountability : actors networks’ ability to go from own survival to global sustainable development / public action
### c. Analytical grid for public policy evaluation

<table>
<thead>
<tr>
<th>Relations between</th>
<th>Stakes / Effects</th>
<th>Stakes / Objectives</th>
<th>Objectives / Means</th>
<th>Means / Results</th>
<th>Objectives / Results</th>
<th>Objectives / Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level ↓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Society</strong></td>
<td><strong>Impacts</strong> (out of the objectives)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public action</strong></td>
<td><strong>Pertinence</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(expected) Impacts</td>
</tr>
<tr>
<td><strong>Evaluation of the public action</strong></td>
<td></td>
<td><strong>Coherence</strong></td>
<td><strong>Efficiency</strong></td>
<td><strong>Effectiveness</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Barjolle & Thévenod-Mottet (2003), J. Plante (1991); Daucé (1998), Berriet-Sollec, Guérin, Vollet (2001)*
Evaluation of the GI policy

<table>
<thead>
<tr>
<th>Requirements on quality</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involvement of public authorities</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Control/certification</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>Organisational strength</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Effectiveness of the protection</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Types of GIs</th>
<th>Type A</th>
<th>Type B</th>
<th>Type C</th>
<th>Type D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation (addition of all criteria)</td>
<td>5-10</td>
<td>10-15</td>
<td>15-20</td>
<td>20-25</td>
</tr>
</tbody>
</table>

*Thevenod-Mottet, 2006*
Case study selection and success factors

<table>
<thead>
<tr>
<th>OP/GI systems</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
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<tbody>
<tr>
<td>Specific objectives</td>
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<td></td>
</tr>
<tr>
<td>Sustainability dimensions</td>
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</tr>
</tbody>
</table>

Specific Criteria

Analytical grids
Thank you for attention!