Global and Local Food Governance
Geographical Indications

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Food Security Module - Prof G.A. Simon
1. Introduction

Within the context of "EXPO 2015", the Institut Français d’Italie, the Master in Human Development and Food Security of Roma Tre University, the Centre de Recherche Agronomique pour le Développement (CIRAD), Montpellier SupAgro, the Unesco Chair “Alimentations du Monde” (Montpellier), the International Urban Food Network (IUFN) and the Centre International de Hautes Études Agronomiques Méditerranéennes - Institut Agronomique Méditerranéen de Montpellier (CIHEAM-IAMM) are jointly organizing a cycle of five round tables on Global and Local Food Governance.

The first round table “Can Geographical Indications be applied to Global Governance?” has been hosted by Roma Tre University, on May 6, 2015.

The present report aims to offer an insight on the topics that have been discussed during the conference, while trying to identify issues and benefits deriving from the regulatory system of the Geographical Indications (GIs), with a particular focus on socio-economic aspects.

2. How do GIs question Global Governance?

Stéphane Fournier, Professor of Development Economics, Montpellier Supagro.

The industrial production, the process of globalization and the intensive international trade between countries, coupled with the sharp increase in population growth, urbanization and inequality, have differentiated consumers’ needs, tastes and preferences. These aspects have unbalanced the market equilibrium and, more specifically, generated a break in the global supply chain. Since producers’ goal remains to achieve the maximum profit without any truthful concern about buyers’ needs, and since these needs are increasingly complex and difficult to satisfy, food instability is increasing and the amount of food surplus is growing. With regards to the MDGs/SDGs, these aspects can be a real obstacle in reaching the food security goal.

How can the situation be improved? An answer could be represented by going back to local food and improving local markets’ development. This could have many beneficial effects: Self-empowerment of local communities fostered by government support; reinforcement of social relations between sellers/producers and consumers; trading local food means also lowering transportation costs and decreasing polluting emissions. Moreover, since sellers are often women, their role in the society would be significantly enhanced, and gender inequality would decrease.

This idea of going back to local food is strictly connected to a well expressed concept by the French word “Terroir”.

Terroir products are identified as goods with distinctive characteristics such as local know-how/tradition, climate, soil characteristics, terrain etc., and have an implicit added value.
Highlights 1 – GIs versus Trademarks and the case of Cuban cigars

GIs and trademarks are distinctive symbols contributing to the construction of a specific identity for products, but have meaningful differences:

- GIs link a product to the geographical area of production, while trademarks differentiate products according to who produces them;
- Trademarks are the product of creative activities of the people and are not conceptualized until they are established by a producer. GIs represent the recognition of a pre-existing link of the product to a specific territory, its culture and traditions.

Sometimes a **GI is an effective tool to grant protection and competitive advantages to small local producers** similar to that obtained by means of a trademark. Trademarks in general are maybe more diffused than GIs but frequently a product reaches the market differentiated by both a trademark and a GI.

The experience of **Cuban cigars (Habanos)** reflects this combined approach to product differentiation and protection. **Habanos** were traditionally smoked in Cuba by indigenous long before 1492. Their quality comes from a combination of soil’s characteristics, the specific variety of local black tobacco, climatic conditions and farmers/ manufacturers’ know-how. GIs such as **Havana, Cuba, Habano** and others are protected and cannot be used for cigars produced outside Cuba. At the same time many trademarks (32) distinguished in global, local and niche, have been established to protect and differentiate different producers.

In the case of cigars we can easily see how the trademark is boosted by the GI and we can appreciate the advantages that could derive from the synergy of this different level of protection and differentiation.


**Establishing Sustainable Food Standards**, by identifying an external agency that certifies the quality of a good through a monitoring process and a labelling system may result in higher quality of products and larger market share. **There is a worldwide ongoing debate on who should be responsible for labelling a good with a GI: Local organizations representing producers? Global Governance?**

In this context, national and international needs might be different: from the national perspective, agricultural policies should be oriented towards the satisfaction of the population’s needs, while maximizing the international benefit would require a well-defined but flexible GI standard.

3. **GIs as a tool for more sustainable food systems – the role of FAO**

*Catherine Teyssier, Food Quality Expert, AGS – FAO.*

Since food and agriculture are at the centre of FAO’s strategic objectives, the Organization has a significant role in supporting the expansion of quality-based and origin-controlled products, with the aim of contributing to rural development worldwide. ([http://www.fao.org/food-quality-origin/home/en/](http://www.fao.org/food-quality-origin/home/en/))
Nowadays, traditional food systems are threatened by climate change and deforestation, while the demand for quality products is increasing due to a massive urbanization process. In this environment, voluntary standards and labels’ importance is increasing, and GIs can be an key tool to link products to their land of production, while enabling this link to be recognized at international level. The challenge of GIs is to demonstrate that traditional productions are able to meet the quality standards required on the market.

However, GIs are not a magic tool and their efficacy depends on the context in which they are implemented. In fact, they are sometimes perceived as a top-down approach because of the missing collective production know-how, which confers typicality to manufactured products. Without coordination between all sectors along the whole value chain, GIs’ sustainability remains unsure.

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<th>Highlights 2 – The virtuous circle of GIs</th>
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<td>The positive effects related to the recognition of GIs are subordinated to a series of activities which must be performed by local producers and supported by an adequate institutional/economic framework.</td>
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<td>FAO, in the guide on GI “Linking people, places and products” developed a quality circle scheme as a tool to manage the whole GI recognition process.</td>
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The key steps of this virtuous circle are:
1. **Identification**: local producers gain awareness of the potential of the product and decide to collectively invest to protect it;
2. **Product qualification**: establishment of rules to protect/differentiate the good;
3. **Product remuneration**: revenues deriving from marketing and management of the good;
4. **Reproduction of local resources**, boosting the long term sustainability of the system;
5. **Public policies** providing an institutional/legal framework encouraging the potential positive effects.


The above mentioned aspects are part of why FAO launched the “Quality and Origin Programme” in 2007, with the main objective of assisting member countries and stakeholders in implementing systems of origin-linked products, appropriate to specific economic, social and cultural contexts, both...
at local and institutional levels. A web platform created to support stakeholders who are taking part

to this programme, offers several tools ranging from training to knowledge exchange and


Moreover, FAO monitors and implements programmes of capacity building in Africa and Asia to

further nurture the GIs level of diffusion.

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<th>Highlights 3 – GI’s potential in developing countries</th>
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<td>GIs could be defined as a type of collective monopoly: the GI labeling is able to make the product unique on the market and not reproducible elsewhere; <strong>the monopoly belongs to the producers operating in the delimited geographical area.</strong></td>
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<td>GIs could be able, at a first glance, to play an important role in developing countries, which are rich in local traditions and biodiversity and are also in need of economic enhancement.</td>
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Unfortunately, an assessment of the positive impact of GIs in developing countries is extremely complicated, because of the following reasons:

- The concept of GIs is rather foreign and new to many developing countries;
- many development countries lack a sound institutional and legal system, which should be implemented for a GI to be successful;
- the economic benefits of GIs are mostly related to international/national market access that most rural/local productions do not have;
- the majority of the population is rather poor and not willing to pay more in order to get a niche/certified product.

Of particular concern for developing countries are the risks for small local producers deriving from GIs. **The recognition of a GI may result in the identification of a product which is remunerative and therefore attractive for stronger/foreign producers.** This might incentive powerful producers to acquire more market share eroding small producers’ portions resulting in a severe deterioration of the already precarious conditions of rural economies. In this sense, collective action is particularly meaningful in this context and could prevent the appropriation of benefits by minorities of particularly well-placed producers.

**Much empirical work remains to be conducted to determine the direct and indirect impacts of GIs in the developing world.**


4. **Common actions and international recognition**

*Hélène Ilbert, Geo-economist, CIHEAM-IAMM.*
The international community is in a state of stalemate over GIs and Trademarks of products. GIs were first recognized and defined in the Lisbon agreement in 1958, and then included in the subsequent World Trade Organization (WTO) agreements.

The absence of a clear framework for GIs is also reflected in the different conceptions of GIs adopted by WTO on one side and EU on the other. Since GIs are based on the geographical region of production of a good, it is hard for GI labelled goods to enter the EU system. WTO has moved away from GIs regional producers-based, towards GIs based on national level (e.g. Café Colombia, Cylon tea).

As opposed to the EU, the tools mainly used by the US are the Trademarks, which create a property-right on a product detained by the producing company. The product must be certified and it belongs to the company until it fails. This system is in line with the market liberalization doctrine which is predominant in the US, and aims at preventing the protectionism of products (See Highlight Box 1 – GIs versus Trademarks and the case of Cuban cigars).

The main actors in this fraction are the US and the EU, each supported by other states and lobby groups.

The EU focuses on GIs as a protection for national/local products from the companies’ inappropriate use and exploitation. The large lobby group OriGin created in 2002 supports the EU by:

- Recognizing GIs registration in the WTO;
- Extending GIs to include hand crafted goods (particularly important for developing countries to protect their local heritage of products).

On the other hand, the US are firmly opposed to the creation of GIs but in favor of Trademarks. Supported by a large lobby group, the US Dairy Products created in 2012 and based on the European model “OriGin”, the US aim to raise Trademarks implementation.

The main change in the stalemate of GIs and Trademarks happened when, in the WTO, the US forced the EU to open its GIs registry to the world. This was initially claimed to be a success for developing countries, but entering the EU registry became a rather arduous process and often products from outside the EU were left pending for review by the EU-GI commission for long time. The method which is often used to circumvent this process is a bilateral agreement between a nation and the EU (e.g. China’s Ten for Ten products).

Unfortunately, due to the very large revenue and profits involved, conflicts over GIs and Trademarks are far from being over. As long as the EU and the WTO GIs systems are different, the registration process will remain cumbersome and this could well jeopardize GIs potential.

5. Conclusions

This report brings together information about different aspects of GIs and their implementation. According to the RT panelists and to additional sources, GIs regulations generate a series of Pros and Cons that we wish to summarize as a conclusion to the above considerations.

The first positive aspect of GIs is that they are able to protect regional brands, processes, and historical knowledge from exploitation, and that local production heritage is maintained. Producers and sellers are safe from the risk of their product being counterfeit, and their production techniques know-how is safeguarded. However, protectionism can sometimes be the cause of a weakened production due to inefficient norms and regulations and to a difficult implementation of collective
actions. The expensive and complex implementation of norms and systems related to the introduction of GIs may represent an issue especially in developing countries.

On the positive side, a high number of job opportunities are created when GIs regulation is in place at local level: GIs are in fact a source of human development, increased when participatory and collective actions are carried out efficiently.

In conclusion, the main goal of GIs would be to achieve higher quality and safety standards in order to ensure consumers’ well-being. However, a costly and time consuming implementation of GIs labelling due to different regulations worldwide makes it hard to see GIs as a mean to reach food security. The lack of approved standard at a global level creates an interesting challenge when it comes to applying GIs to Global Governance.