

Do Geographical Indications Promote Sustainable Rural Development?

Fördern geschützte Herkunftsbezeichnungen eine nachhaltige Entwicklung des ländlichen Raums?

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Zusammenfassung

Dieser Beitrag widmet sich der Frage, ob geschützte Herkunftsbezeichnungen eine nachhaltige ländliche Entwicklung zu unterstützen vermögen. Die vergleichende, qualitative Untersuchung umfasst zwei Fallstudien in Großbritannien: Jersey Royal Potato (Geschützte Ursprungsbezeichnung) und Welsh Lamb (Geschützte geographische Angabe). Die Literatur verspricht zahlreiche positive Effekte, die in den 25 Leitfadeninterviews allerdings nur teilweise bestätigt werden konnten. So wurden zwar mehrere ökonomische und soziale Vorteile identifiziert, jedoch kaum positive ökologische Effekte. Dennoch zeigen die Fallstudien, dass nicht nur Regionen im südlichen Kontinentaleuropa, die für ihre lange Tradition von regional differenzierten Qualitätsprodukten bekannt sind, von Herkunftsbezeichnungen profitieren können.

Schlagerworte: Herkunftsbezeichnung, geschützte Ursprungsbezeichnung, geschützte geographische Angabe, Nachhaltigkeit, ländliche Entwicklung.

Summary

Geographical indications (GIs) are one form of protective labelling used to indicate the origin of food and alcohol products. The role of protected geographical indications as a promising sustainable rural development tool is the basis for this paper. The research method employed for this study was qualitative critical social science. Two case

studies were used to investigate the benefits brought to rural areas through the protection of GIs; Jersey Royal and Welsh Lamb. Twenty-five in-depth interviews were conducted for this study. The study identifies predominantly indirect links between GIs and sustainable rural development (SRD), through economic and social benefits brought to rural areas by the GIs investigated - less of a connection was found to ecological elements. No considerable disadvantage for GI protection was discovered. These findings suggest that GIs are worthwhile for implementation as a rural development tool.

Keywords: Geographical Indication, Protected Designation of Origin, Protected Geographical Indication, Sustainable Rural Development, Agro-food products.

1. Introduction

Geographical Indications are one type of label of origin, other examples include Swiss Labeled Products and Appellation d'origine contrôlée. The World Trade Organization's (WTO) 1994 Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) defines geographic indications (GIs) as "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 geographic origin." (1994 TRIPs Agreement, article 22.1).

EU council regulations (EC) No 509/2006 and 510/2006 protect three GI schemes: PDO (protected designation of origin), PGI (protected geographical indication) and TSG (traditional specialty guaranteed). PDO (the case study of Jersey Royal Potatoes) encompasses agrofood products where production, processing and preparation occur in a given area. PGI (the case study of Welsh Lamb) is a scheme concentrated on producers. Only one of the stages of production, processing or preparation is required to take place in the area (http://ec.europa.eu/agriculture/quality/schemes/index_en.htm).

The subject of GIs is rather contentious, involving a significant split in views on the WTO/TRIPs agreement protecting GIs; protection is currently limited to GIs for wine and spirits. The European Union desires extension of the WTO/TRIPs agreement to protect all GI products, and the establishment of a legally binding multilateral

register of GIs (JOSEPHBERG et al., 2003). Coming from New Zealand- a country that has a remarkably diverse geography yet doesn't support the protection of non wine and spirit GIs- prompted the author's motivation for this study.

There appears to be a lack of theories that can describe and interpret the link between geographical indications (GIs) and SRD (ARFINI, 2003). This is partly because there is no sole concept of what is meant by SRD. Therefore analysis of this link was based on multiple criteria. This study employs an integrative theory approach to link Geographical Indications to SRD using endogenous development, convention theory, cultural economy, and the embeddedness concept. These all fall under the umbrella of sustainable development. The theories and models were chosen because of their former links to value added products in relevant literature. (SYLVANDER et al, 2000; BARHAM, 2003; PENKER , 2006).

Common to these models and theories is the need of the market to consider more than merely economic factors in order to be sustainable. The true costs of many commodity products are not covered by current market mechanisms, such as their social and environmental costs; economists term this cost an externality. This study makes the assumption that the true cost of GIs and other value added products are more closely accounted for (because they are linked to social and ecological values as well as economic values) and are therefore potentially more sustainable in the long term. The study uses a literature based survey on links that have been categorised as having ecological, economic, or social effects.

There is much reference in economic and agrofood literature to the contribution of origin labelled products (OLPs) to rural development (e.g., BABCOCK, 2003; BARHAM, 2003; TREAGEAR, 2003). This reference is predominantly theoretical, signifying that there is a need for more empirical evidence demonstrating that OLPs promote rural development. Furthermore, there are many forms of OLPs each possibly impacting rural development differently (BARHAM, 2003). Geographical indications are one type of OLP and therefore require independent research. There is far less literature *specifically* concentrating on the influence of GIs on sustainable rural development than there is on OLPs in general, particularly outside of Southern Europe. However from existing research it is generally believed that

GIs do promote sustainable rural development (BARHAM, 2002; BABCOCK and CLEMENS, 2004; RANGNEKAR, 2004).

The study investigates two GIs - Welsh Lamb and Jersey Royal Potato - to bring new information to the table in order to scrutinize the hypothesis that GIs do promote sustainable rural development.

2. Methods

A qualitative research approach was adopted for this study. This approach was chosen because the study needed to address the research question in detail concentrating on two case studies, best suited to a qualitative approach (STRAUSS and CORBIN, 1998; YIN, 2003).

The qualitative approach selected was critical social science research, chosen because the study was aimed to be more explorative than definitive (YIN, 2003). The case study method was employed to allow the gathering of detailed and context specific information on two selected GI protected products. PGI Welsh Lamb and the PDO Jersey Royal Potato (Registered on the DOOR GI database of the EC <http://ec.europa.eu/agriculture/quality/door/browse.html?search&locale=en>). This method is allowed for a comparison between these two different products focusing on their individual situational factors. (PATTON, 2002; YIN, 2003).

Twenty five interviews were conducted, ten stakeholders for each case study and a further five large retailers who were questioned about both products. The interviewees for both case studies were chosen from a list of stakeholders directly involved in producing and/or marketing the products. Jersey Royal Potatoes are not processed and Welsh Lamb can be processed outside of Wales because it is a PGI so processors were not interviewed. The stakeholder lists were developed from an online search or were provided by already identified stakeholders.

Stakeholders were first contacted by phone and a meeting time was arranged. Interviews were conducted face to face during the month of October 2006. The interviews took approximately 1 hour each. The in-depth qualitative interview method was employed to gather empirical data for the thesis (GUBRIUM and HOLSTEIN, 2002). The stakeholders were interviewed in their professional capacity only, to avoid ethical concerns. This method of in-depth interviews opposed to questionnaires was designed to establish a stronger rapport with the

stakeholders in order to gain more detailed information, and to be a more timely procedure (GUBRIUM and HOLSTEIN, 2002). Furthermore because the topic of geographical indications is somewhat complex and unfamiliar, the in-depth interview method ensured that the interviewees had the opportunity to understand what they were being asked. Flexibility was required from the interviewer to consider new aspects emerging during the interview; explorative interviews need to be open towards issues that can not be anticipated at the stage of questionnaire design.

The key themes were predefined rather than based on grounded theory. This is because the themes were already recognized in the literature. These themes involve social, economic and environmental elements. The study uses literature based assumptions on links between GI and SRD to indicate economic, social and environmental elements of SRD. They include i) economic indicators - links to added value, innovation and entrepreneurship and marketing potential, ii) social indicators - encouragement of social networks and collaboration, maintenance of traditional knowledge and sustainable employment and slowing of rural exodus and iii) environmental indicators - links to biodiversity, environmental standards and ecologically sustainable production methods. These indicators were chosen because they appear frequently in the literature, are good indicators of the underlying processes and could be evaluated against secondary data (the indicators chosen were predominantly objective and therefore supportive data could be found, such as data on premiums and rural exodus). There was no hierarchy attached to the indicators chosen.

The responses obtained in the in-depth interviews were transcribed and when agreed by interviewee, recorded. The meaning of the information gathered from stakeholder in-depth interviews was determined by searching for sub-themes, commonalities and patterns (KATZER et al., 1991; PATTON, 2002). This information was then verified for credibility and validity where possible through a method of triangulation (YIN, 2003). The various information sources for triangulation came from consistency of answers between intra and inter stakeholder groups, and data from relevant organizational bodies and literature.

3. Results

3.1 GI Links to Economic Benefits

The PDO was consistently linked to adding economic value to the Jersey Royal in the form of a premium. Jersey Royal prices across the time period 1994-2006 range from £492/tonne-£824/tonne (Jersey Gov. Statistics) compared with £110/tonne-£183.7/tonne British Potatoes (BRITISH POTATO COUNCIL, 2006). The PGI for Welsh lamb wasn't linked to a premium. PDO and PGI status could not be linked directly to innovation and entrepreneurship, although some indirect links to innovation were found. For example, Meat Promotion Wales has worked with the abattoir sector to improve efficiency throughout the supply chain of red meat. This has been achieved through Value Chain Analysis (VCA) identifying inefficiencies that are not actually adding value to Welsh Lamb and Welsh Beef (HYBU CIG CYMRU - MEAT PROMOTION WALES, 2006). Thus illustrating that although innovation is occurring, it cannot be directly linked to the PGI status. When referring to direct links the author means that the GI status is responsible for that attribute to occur, whereas indirect links may be attributed also to other factors such as a strong brand name of the product and may have occurred without GI protection.

3.2 GI links to Social Benefits

Neither product could be directly linked with the encouragement of social networks and collaboration amongst stakeholders, except for in the application stage for GI status.

Both GI products investigated could be linked to maintaining some degree of traditional knowledge. The regulations governing GIs demand both human and natural links of the product to geography therefore a certain amount of tradition should be preserved through the protection of GIs. The inherent human factors involve such links as culture and tradition of production technique. Traditional extensive farming is used in the production of Welsh Lamb and hand labour is used in the planting and harvesting of the Jersey Royal along with spreading of seaweed as a natural fertiliser.

Welsh Lamb could not be linked to ensuring sustainable employment or slowing of rural exodus this is possibly because the GI status is

reasonably new (2003). The Jersey Royal was linked to sustainable employment however rural exodus was not viewed as an issue in Jersey when considering the whole of Jersey as a rural area.

3.3 GI links to Environmental Benefits

Welsh Lamb could not be linked to biodiversity, as the genetic makeup of the lamb can be a mix of a number of species. On the other hand the Jersey Royal Benne was discovered on Jersey and cannot be grown anywhere else therefore it maintains biodiversity by avoiding the replacement of a potato outside of Jersey with the Jersey Benne, and vice versa i.e. on a global scale. However on the island of Jersey the Jersey Benne doesn't encourage biodiversity as it is grown as a monocrop. The local biodiversity therefore depends on the production techniques. This will vary among GI products.

The GIs investigated were not linked to environmental standards. Direct links with ecologically sustainable agricultural practices were not made with the GIs investigated. However, indirectly sustainable farming practices were encouraged for Welsh Lamb through the Farm Assured Welsh Lamb scheme. Both products have links to ecologically sustainable practices; however these cannot be directly linked to GI status and may also have occurred in the absence of GI status.

No one interviewed stated that there were significant disadvantages involved with GIs.

4. Conclusion

Literature indicates many positive effects of GIs on sustainable rural development, very simply these can be categorised into ecological, economic and social effects. The two products investigated do not have profound direct links to all of these elements, however many indirect links were found. The Geographical Indications evaluated were least strongly tied to ecological benefits, with stronger ties to economic and social values. No significant social, economic or ecological disadvantages were uncovered by the study.

This study only evaluated two case studies out of a total of 36 in the UK so the findings are not representative of all GI products in the UK. Furthermore it can be assumed that the effects of UK-GIs are different

from those in Italy or France, with their long tradition and culture of regional food products (There are approximately 500 GIs in Europe). Predominantly stakeholder responses were backed up with supporting data, which indicates that the perceived effects of GIs are inline with the actual effects of GIs. However what was anticipated to be valuable attributes of GIs such as encouraging social cohesion due to being a “collective” label and adding to biodiversity because they are “differentiated” wasn’t clearly the case with the two GI products evaluated. Also of surprise was that the GIs evaluated didn’t link to innovation and entrepreneurship, which contradicted findings in the literature review. The anticipated values of offering transparency and fairness do occur with GI protection, because they can be directly linked to the regulations governing GIs.

There is enough evidence to show that the GIs investigated in this study are linked to more than just economic benefits and are therefore trending toward SRD; however these links alone are not strong enough to say that GIs *promote* sustainable rural development. A promising finding of the study was that although many of the links between the GIs investigated and SRD were indirect all stakeholders agreed that GIs promote SRD.

Considering the findings of this study together with findings from relevant literature the protection of GIs remains a promising policy tool for Sustainable Rural Development. In today’s society where customers are placing increasing value on the integrity of food, such as the social and environmental standards involved in the production and processing of agrofood products (MURDOCH et al., 2000; RENTING et al., 2003), countries such as New Zealand could potentially benefit from adopting GI regulations. GI protection could encourage such Countries to diversify and supplement their markets of predominantly bulk commodity production, and with clear ecological standards also reduce the strain on natural resources such as soil, water and biodiversity.

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