Protected designation of origin and institutions
(France, Spain and Italy)

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ABSTRACT

An overview of differentiation strategies for agricultural products in this article are followed by the comparative study of the administrative tools of different countries, based on case studies in three different countries (France, Spain, and Italy). In the functioning of the PDOs, the registration procedure assumes a particular importance, as it conditions the long-term life of the products differentiated by the PDO. A second central aspect of the functioning of the PDO is a crackdown on fraud. Finally, the promotion of products under a PDO is a particularly important issue because the consumer must be informed of particular efforts granted by the producers within a PDO (same principle for differentiation strategies).

We have also identified strong and well-structured inter-professional organisations as central elements of numerous PDO procedures. The adhesion of all the local partners to the co-ordination steps around the product, as well as their negotiation power with the authorities, are directly linked to the good functioning of the inter-professional grouping.

1. INTRODUCTION

One of the principal objectives of the 1992 Common Agricultural Policy (CAP) revision was to partially free the agricultural markets within the Union by lowering the direct
support of certain agricultural prices. There has to be a "promotion of the diversification and quality improvement of production according to domestic and foreign markets and to the needs of the consumers" (EC Commission, 1990 [12]). The GATT agreements signed in December 1993 go in the same direction, bringing its members to reduce their direct support through prices, export subsidies as well as tariff barriers. The productive function nevertheless remains central in the agricultural producers' decision making, although other functions, such as the respect for the natural environment or town and country planning, are directly compensated by direct payments independent from production volumes. On the level of agricultural business, this situation results in the adoption of strategies articulated around marketable products and services which can be brought together into three large groups:

- Individual strategies, such as diversification within the branches of marginal and innovative production, the introduction of a different activity, the economic development of products by direct selling, etc.,
- Local strategies structured by networks, such as certain forms of lodging at the farm, farm-inns, etc.,
- The reinforcement of collective strategies to enhance products, either exclusively between agricultural partners or between agricultural producers and the actors downstream the supply chain. These strategies integrate production and consumption in order to promote typical products specifically linked to their production basin (pedo-climatic conditions and/or tradition).

Since the middle of the 20th century, in several countries of the European Union, public institutions have played an important role in the recognition and encouragement of co-ordinated steps of product promotion, in particular for typical regional products. An overview of differentiation strategies for agricultural products in this article is followed by the comparative study of the administrative tools of different countries, based on case studies in three different countries (France, Spain, and Italy). Our contribution points out the strengths and weaknesses of the institutions taking an active part in the official systems of the protection of geographic names in the studied countries by considering them in relation to the success factors of the differentiation approach through the roots of some agricultural networks studied in detail.

2. MARKETING AND AGRICULTURE

The commitment of individuals and collectivities to enhanced efforts of commercialisation is indisputably one of the effects of the CAP revision. The transition from an economy under state control, with strict price regulation and the refunding of products, to a more demand-oriented economy brings about a more offensive business performance. The marketing techniques developed by experts gain in importance in the agricultural sector, although they have found for a long time found a favourite terrain close to food processing firms.
2.1 The different types of strategies

Marketing strategies implemented in the agricultural sector today must necessarily be consistent with a prospective vision in terms of market and the appropriateness of products to the needs of consumers. This anticipation goes along with the evolution of the analysis and diagnosis of the strengths and the weaknesses compared to competitors, and upon the chances and risks linked to the evolution of the environment. Marketing strategies can be related to four large groups with which they often combine (according to Porter, 1986 [23]).

A first strategic tract aims at lowering production costs (domination by costs), and combines economies of scales effects with products and processes standardisation's effects. The enlargement of structures and the improvement of productivity are the most current trends observed in the agricultural business (they are also the ones that are the most encouraged by the popularisation of agricultural techniques).

The research of a better product positioning by a cost reduction strategy must not deny the ability of a business to sensibly increase its revenues by the diversification of products and activities. Agricultural businesses concerned with the distribution of risk diversify their production by offering traditional goods and services (such as farm Bed and Breakfast), as well as new productions (bioenergetic substitutes).

Concentration, that's to say the specialisation in an activity (in a "trade") for which the firm has a significant and difficult lead to imitate, constitutes another way of strategy. It is frequently considered in businesses with special cultures (wine, fruit, vegetables, hydra-culture, etc.). These businesses often develop sales contracts directly with large distributors.

Finally, differentiation strategies favour the differentiation from substitute products, advertising to consumers through adequate publicity means. If the product with a specific identity satisfies the expectations of certain segments of consumers, the latter may sometimes accept to pay more for it than for its substitute product. This relationship between the differentiation of products and the consumers' preferred attachment has been noted several times by economists. It was notably formulated by Oliviera Martius, 1990 [20]: "The differentiation of products is one of the most essential forms of competition among producers. Essential aspect of the support side, the differentiation of products is at the same time intimately linked to the preferences expressed on the demand side. In effect, it isn't sufficient for a producer to differentiate his/her product from that of his/her competitors, but again the consumers must perceive the differences and value them. Differentiation of products and preference are indistinguishable, notably at the end of the measure, in fact it is even the same thing from scientific point of view."

2.2 The differentiation of agricultural products

The main idea of agricultural product differentiation is found in brand policies which identify the products on the market and which are oriented towards consumers preferences. They are generally accompanied by a policy oriented on the production of product ranges and the launching on the market, at regular intervals, of new articles designed to revive the demand. These brands are most often held by processing businesses (Nestlé, Danone, etc.) ; others are developed for fresh products directly hold
by agricultural producers (for example in the French vegetable sector: Marmandise, Savéol...) and others are developed by large distribution chains (distributor's own brand). A second differentiation trend widely used by agricultural producers is quality as defined by Cormorèche, 1994 [11]: "Next to the trend/cost quantity/quality competition, and to the brand competition, there exists a competition by the quality linked to a know-how, a region, a production basin, which is consistent with a logic where the price parameter is more flexible". These product differentiation strategies depend on the observation that consumers appreciate more and more the agricultural products which characteristics are specifically and clearly identified on the packaging, even if they must pay a bit more in the retail stores (Rullier, 1994 [24]). Throughout the rest of the article, we use the term "particular qualities" to distinguish this definition of quality from current definitions of quality.

3. PARTICULAR QUALITIES

Aviat and Bouquery, 1991 [2] have deepened the notion of particular qualities of agricultural products, specifying that they go beyond the notion of quality in the sense of the nutritional value, appearance, organoleptic qualities or the transformation tendency. These constituent elements of the food identity have increased in importance, because they refer to nature itself as well as to the relation between the consumers and their food. The affective components of this relation partly explain the success of the media when they approached the problems of food processing production, as was the case of hormones for the veal or the chicken, salmonella for eggs, listeriosis for cheese, the 1BSE for beef, etc. Particular qualities essentially refer to the relative attributes in the manner of designing the product, to which the consumers are very sensitive, but where the information is thus very inaccessible or trustworthy.

Three types of characteristics linked to elements indirectly visually perceivable at the time of product purchase are recognised by consumers and bestow particular qualities to the food:

- The ecological dimension of products refers to a particular production means respecting the environment. This supposes that the production processes and the manufacturing (for processed products) foresee a use measured by natural resources at the same time limiting the recourse to methods changing the environment (for example the use of chemicals). For products of animal origin, the ecological components also include respect to the needs and the well-being of the animals, depending on the system of rearing and raising.
- Sensory properties refer either to specific organoleptic characteristics where the technology is non-reproducible in the sense of Salais and Storper (1994) [25], or to gustatory components\(^2\) superior to those of similar products. The production processes are oriented so as to optimise the organoleptic qualities of the product.

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1 Commonly referred to as the "Mad Cow Disease"

2 The French Label Rouge illustrates a process of institutionalising these type of qualitative references
For example, in the case of meat production, a low intensity (but longer duration) fattening and prolonged maturation of the meat leads to better quality.

- The geographic origin and tradition serve as the differentiation base of typical regional products. There are numerous specialities which owe their name to the region, a term standing for the entirety of natural (pedo-climatic conditions) and human (local know-how) factors which determine the quality of the product. The region is described by Letablier and Nicolas, 1994 [16] as a "spatial support of the typicality". These authors also note that the word is associated to a "representation of taste and the quality of the food products which sum up a way of life, a tradition, a form of authenticity drawn from rusticity".

In practice, these three notions can be combined (cf. Figure 1). As a consequence, the products superimpose, to different degrees, the three types of characteristics bestowing particular qualities: for example, consumers find that certain biologically-processed regional products posses excellent sensory properties. They appreciate other products as well, for example, biological, but where the origin is neither specified nor determined, and the sensory properties are just run-of-the-mill. The multiplication of information affixed on the products could besides generate certain confusion in the spirit of consumers.

Figure 1: Fields of particular quality
4. THE ROLE OF INSTITUTIONS IN THE PROTECTION OF GEOGRAPHICAL NAMES OF AGRICULTURAL PRODUCTS

4.1 Preliminary Remarks

From the theoretical and institutional point of view, the distinction of demand regulation is clearly established between public goods and private goods. The balance between the supply and the demand of a private good, because of the application of the exclusion, can be regulated by the market, and the exchange on the market permits the price to be fixed. For public goods, the social characteristic of the demand results in a useless market demand, mostly because of the free-rider problem (why should I pay, since if I don't pay, I can profit from the good all the same). It is agreed that public institutions regulate how the demand is expressed on the market for the goods with a public characteristic. For this, they use essentially two means of intervention. The first consists in interfering with the property rights by establishing, for example the principle of "polluter-payer". The second mean frequently used is to put in place financial incentive in the frame of programs in which the involved actors voluntarily take part (for example the agricultural-environmental measures introduced in the CAP). It has been observed furthermore that the public intervention incentives in the Union rest more and more on the principle of "subsidiarity" (vertical delegation in the hierarchy), in accordance with which the social demand of a good having a public characteristic is defined by the local authorities in the given space concerned. The amount of the primes is established on the same level, with a price/provision relation corresponding to the balance between supply and demand pertinent on the regional level.

The formalizing of the demand in goods having a public characteristic thus have recourse to the public institutions. We can certify that the regulation of the supply in foodstuffs with a public characteristic must be affiliated to the same rules. There must be a mix between public and private characteristics of the goods. Products having a geographic name have indeed several public characteristic components. Their name makes reference to a geographical space which an individual or a firm cannot seize because of their affiliation to the community. The know-how linked to the products also makes reference to community practices, founded on a curve of experience established historically. The danger of privatization of the use of public goods is a despoilement of collectively established notoriety of a name and a product for the territorial community which keeps it. The definition of the access to the name and to the production rights must allow these products to be valued, in an equitable manner for the entirety of the territorial community which would be possible on the basis of established protection for the use limited to an individual or a business. In the absence of administrative regulation, the agricultural products and foodstuffs designated by their geographic origin cannot fully express their potential, in terms of the competitive positioning on the markets, but also in terms of the response of the objectives in the general scope defined by the communities (environmental or socio-economic outside factors). The principle of "subsidiarity", as regards the regulation of geographical names, is a principle accepted (cf. section 4.5) in all logic, because the capacity of formalizing the product specifications is an issue of
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intimate knowledge of the stakes which are linked to it, a condition which is satisfied by the involved parties in the concerned space.

4.2 Foundations of institutionalisation of the protection of geographical names

We are now going to explore the role of institutions, notably those developed under the aegis of the state, in the regulation of geographical names designating agricultural products or foodstuffs.

We use here the definition of institutions given by Ménard, 1990 [17], that is "regulating mechanisms of economical functions characterised by the relations where a power component necessarily intervenes, relations of force between individuals or groups of individuals." The institutions are principally represented by the state (public administration, judicial and legal systems). They guarantee the basis of a co-ordination founded on inter-individual exchanges, by defining the rules and the measures destined to facilitate this co-ordination (Brousseau, 1995 [8]). The development of the institutions in regard to the protection of geographical names for agricultural products linked to a region is a consequence of the quasi-generalised emergence of conventions in the sense of socially established community rules defining the points not discussed at each step of the production process (Orléan, 1994 [21]).

This development of institutions in regard to protection (laws, procedures, complex agreement mechanisms, specialised services in public administration) in some way comes and alleviates the insecurity generated by the multiplication of intermediaries between the producer and the consumer, established, as time went by, parallel to the centralisation of economic activities in the large urban centres. It is equally the indisputable reflection of the economic stakes linked to the professional or inter-professional agreements placed under the recognition and the protection of the authorities. As a matter of fact, products with a strong regional overtone position themselves on growing market segments (Aviat, Bouquery, 1991 [2]). These stakes are the reflection of interests linked to the vertical co-ordination between regional partners in sight of the elaboration of a product which pulls its specificity to the region: it is for the involved parties to maximise the profitability by obtaining specific competitive advantages ("above costs competitiveness " Chevalier, 1995 [10]):

- the processes attempting to make the consumers value their know-how, the image of the agriculture, the landscape which it supports and the rural culture which it conveys to assure an adequate quality of the raw material (cheese-makers ability towards milk for example);
- the farmers desire to make their interests valuable in the negotiation of the price for their raw materials , corresponding to the consented efforts and to their contributing to the products high-value image.

The co-ordination between the forces of the involved parties is formalised by an agreement. All agreements around the specific products in a region are the fruit of a social construction of the product (Letablier, Nicolas, 1994 [16], Bérand, Marchenay, 1994 [5]) characterised by negotiations (social aspects), compromises (economical stakes of the technological process, for example by the limitation of a cow breed or a choice of a maximal output of milk per cow), which leads also to the fixing of "exact" specified
parameters such as the physical-chemical composition or the organoleptic quality of the product (scientifically measurable qualifications).

These theoretical aspects are completed by a legal examination of the utilisation of geographical names. It must be admitted that the designation by a geographical name is not entirely regulated through the means of the registration and the protection of the brands. As a common property, the uses of which are founded locally, the geographic name misses out on the full and entire protection of the brands which are founded on the invention of an imaginary name serving to characterise a product or a firm. The product itself is not covered by the protection of patents, since these here are limited in time and that these products have been known for many generations. The designation of products by their origin has thus historically required specific legal protection measures: indications of origin cannot be reserved by the titleholder of a brand containing them (even if it is registered), because an indication of origin is a public property, accessible to all. At best, the origin indicating logotype can be a registered trademark. However, the use of a geographical name remains freely accessible.

The immediate consequence of this legal gap was that the protection of the indications of origin frequently came up against degeneration: the products commercially designated by a geographic name could be products from outside the geographic zone which corresponds to this name. The rights established by these businesses which have used this practice, can in effect, of this prevail over a reservation of the name for products truly issued from the region in question. This is, for example, the case for Dijon mustard, Frankfurters (Frankfort sausages), or hamburgers. The comparative examination of different degrees of protection (brand, simple geographical indication and designation of origin) allows us to understand the different concepts and their legal interpretation.

4.3 Brand Protection

The protection of patents and of commercial brands has been for more than a century the object of laws to the national plan, the directives to the community plan and the international agreements as regards to the recognition and mutual protection. In all the countries, the role of the state affirms itself in the implementation as regards to the protection of intellectual property. For commercial businesses and authors, the utility of such a regulation is to preserve inventions, innovations, identity and image policies from disloyal competition, imitations and counterfeiting.

The brand registering procedure foresees, as a rule, a formal examination controlling the conformity of the demand to the conditions foreseen in the national law or in multilateral agreements. The registered trademark titleholder must thus denounce possession of his/her intellectual property rights and take part in a penal procedure. The brand's control is at all times left to the initiative of the titleholders.

A brand can be applied for by a private business, an association or a private individual. Two cases are possible:

• If the brand is registered in standardised characters, it becomes impossible for anybody to use the combination of protected words. In this case, the brand to protect

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Translators note: originally "boules de Berlin" which is jelly donut in English or "Berlin balls" literally, thus having no geographical reference in English whereas "hamburger" is derived from the German city of Hamburg.
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cannot have a specified feature. It is thus impossible to allocate the exclusivity to the term "APPLE" to develop any production of apples. The protected terms are thus no more than fancy words.

- If the brand is registered with a particular calligraphy or if it is associated with a logo (representational mark), the combination of words that it contains remains accessible to others. The representational mark is used when the combination of words set on a specific feature. This is the case of brands which include a indication of origin.

The community law in regard to the brand has repercussions on the law at the registration of certain denominations made up of a description concerning "the species, the quality, the destination, the value, the geographical origin or the epoch of the product production or the provisions, or other features of this here" (cf. article 7: motives to absolutely refuse, paragraph 1). In effect, "the uselessness of the community brand is declared, upon the demand presented by the Office or on the counterclaim in the counterfeiting action a) when the community brand had been registered contrary to stipulations in articles 5 or 7" (article 51: causes of absolute uselessness, paragraph 1).

4.4 Protection of geographical indication

The TRIPS (Agreement on Trade-Related Aspects of Intellectual Property Rights) agreement, finished in the frame of the GATT negotiations in Marrakech on April 15, 1994, contains a section relative to geographical indications (articles 22, 23 and 14). Audier, 1997[1] besides notices that "this agreement includes measures of protection for distinct geographical indications, of those of the right of the author, the brands, the drawings and models, the patents, the integrated circuits, the undisclosed information. A new category of intellectual property rights is created or confirmed as well."

The foreseen protection for the designations and denominations of wines and spirits (articles 23 and 24) is relatively complete. This which should allow countries already having efficient legal bases to spread the protection of their appellations to the other signatories of the Agreement. For the other products, article 22 gives a definition of geographical indications: "they are indications which identify a good coming from the territory of one of the members, or from a region or site in this territory, of which the quality, the reputation or another characteristic are essentially allocable to this geographical origin". The state Agreement signatories must take the necessary measures to put the means of appropriate recourse to the availability of the signatory state nationals for the following cases:

- the geographical indication misleads the consumers from the true product origin,
- the use of the geographical indication represents an act of disloyal competition in the frame of article 10 from the 1967 Paris Convention.

The state TRIPS agreements signatories must include in their own regulations the possibility to refuse the registration of a brand having a geographical indication which doesn't correspond with the origin of the products and which could also mislead the consumer.

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4 regulation (CE) n° 40/94 of the Counsel, December 20, 1993, on the community brand
This Agreement must allow the enlargement of the number of countries in which it is possible to appeal so to protect the geographical denominations. Its effect is to bring limits to the protection of these denominations in states which already foresee a superior protection for geographical indications.

4.5 The protection of Protected Designation of Origin (PDO) and Geographical Indications (PGI)

Since 1992, the European Union has decreed, essentially under pressure from the countries already having legislation in the matter (France, Italy, Spain, Portugal, Greece), a regulation (EC 2081/92) protecting the Designation of Origin and the Geographical Indications, to bring a certain guarantee to consumers so to define the conditions, procedures, and the extent of protection. Within the EU, the names of products with an officially registered geographical indication thus benefit from a superior protection (automatic protection) as foreseen by the TRIPS.

It must be noted that a community regulation is directly applied, that is to say that it takes over national measures, even pre-existing ones. This explains that the institutional adaptations are already being discussed by the state members where we expose the situation in the rest of the article. Nevertheless, the examination of institutions inheriting a proper national history allow us to identify certain key points in the management policy and the promotion of products whose names are protected.

The official definition of the Protected Designation of Origin is the following: "it is about the name of a region, a determined place or in, exceptional cases, of a country, which serves to designate agricultural products or foodstuffs coming from this region, this determined place or this country, and where the quality or the features are essentially or exclusively due to a geographical area consisting of natural and human factors and where the production, processing and development are placed in a defined geographical area".

The Protected Designation of Origin thus offers an important potential in the economic development of natural resources because it implies the exclusive use of raw materials coming from a defined geographical area in the development of the product.

Despite the fact that it doesn't directly promoting any community aid, this regulation sets for itself as one of its goals "favouring the diversification of agricultural production in order to obtain a better balance between the supply and the demand on the market." These products can furthermore "become an important asset to the rural world, notably in underprivileged or distanced zones, by assuring on one hand the amelioration of farmers' gains and on the other hand the keeping of the rural population in these zones." Charvet and Plet, 1997 [9] emphasise the existence of an "important structure of small businesses [food industry], which play an important role in food production as well as in the irrigation of the rural structure. They represent a fish pond from which the groups partially draw in their growth process. (...) Apart from those which are stemmed from technological innovations, these small and middle-sized businesses are most often situated on the gap of regional or quality products".

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4 From the French "Appellations d'Origine Contrôlée", which has the notion of "Cotrolled Designation of Origin", but from hereon considered simply as PDO, "Protected Designation of Origin"
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Several supporting measures to the agricultural and regional development (programs led with the EU Structural Funds) profit from food processing products benefiting from this regulation (citing regulation 3669/93 of the Counsel, regulation 860/94 of the Commission, regulation 2085/93 of the Counsel, the Commissions decision from March 22, 1994, the community initiatives LEADER and INTERREG) (Obsts S., Poudelet M., Sottong C., 1996 [19]).

Table 1: Differences between the representational brands and the Protected Designation of Origin (PDO) or the Protected Geographical Indication (PGI)

<table>
<thead>
<tr>
<th></th>
<th>Representational brand with an origin indication</th>
<th>PDO/IGP</th>
</tr>
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<tbody>
<tr>
<td>Titleholder</td>
<td>Files the demand</td>
<td>No titleholder</td>
</tr>
<tr>
<td>Person responsible for the management</td>
<td>Titleholder</td>
<td>Production or transformer groups</td>
</tr>
<tr>
<td>Name reservation</td>
<td>Only the representative mark is reserved, the denomination stays accessible to other producers in the zone, even outside of the zone if the geographical reference is indirect</td>
<td>The use of the denomination is exclusively reserved to the contributors situated in the defined zone. Indirect references are forbidden (way of, type of, etc.)</td>
</tr>
<tr>
<td>Manufacturing site</td>
<td>Corresponds to a zone which must not mislead the consumer</td>
<td>Is defined and restrains the productions to a geographical zone specified in the specifications</td>
</tr>
<tr>
<td>Product</td>
<td>The product itself is not protected by filing for the trademark registration. It can be the object of a patent (protection with time constraints)</td>
<td>To use the denomination, the product must follow the laid out specifications, registered and controlled</td>
</tr>
<tr>
<td>Control</td>
<td>Product control comes from the titleholder initiative</td>
<td>Product control is obligatory, it is the financial responsibility of the processor. It is carried out by a body registered with the state</td>
</tr>
<tr>
<td>Usurpation surveillance</td>
<td>Usurpation control is the responsibility of the titleholder, upon private initiative</td>
<td>Systematic and preventative usurpation surveillance under state control</td>
</tr>
<tr>
<td>Ways of recourse against observed fraud</td>
<td>Recourse possible according to procedures foreseen by the Law, financial responsibility of the titleholder.</td>
<td>Recourse against counterfeiting is the public financial responsibility, hired either by the state or by the group</td>
</tr>
<tr>
<td>International Protection</td>
<td>Surveillance and recourse is under the responsibility of the titleholder (foreseen in the TRIPS and GATT agreements)</td>
<td>Automatic protection in the EU countries for registered Protected PDOs/PGIs</td>
</tr>
</tbody>
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5. INSTITUTIONAL FUNCTIONING OF THE PROTECTED DESIGNATION OF ORIGIN (PDO) FOLLOWING THE EXAMPLES OF FRANCE, ITALY AND SPAIN

5.1 Contributors and their roles

In the frame of our research (Barjolle, Bussy, Mesplou, 1994 [3], we have searched to better understand the mechanisms of Protected Designation of Origin management, public as well as professional, in three countries which have possessed a legal base prior to the European regulation. We have thus analysed the key elements, the strong points and the weaknesses of management systems and the Protected Designation of Origin institutional protections (based on regulatory measures, different documents available, and interviews with some persons in charge in the different PDO management organisations). This analysis preceded the carrying out of some fifteen studies of involved parties of PDO products or with the geographical labels (future European PGI), being: Comté, Roquefort, Vacherin Mont-d'Or, Ossau-Iraty, Puy lentils, Landes foul and the Savoy Label (in France), Idiazabal and Navarre Asparagus (in Spain), Parmigiano Reggiano, Modène Traditional Balsam Vinegar and Parme Ham (in Italy).

The principle of the PDO in France, and for the Italians and Spanish as well, rests on several elements. It depends on the specifications, which define the geographical production zone, fixes the product development method, details the proof put on the product origin (tracability) and describes the effective connection of the product to the region. A specifications control is obligatory and is carried out on all levels (farmer, transformer, merchant). The national legal bases currently in force in the three studied countries have the same PDO registration requirements as the European regulation 2081/92.

In the functioning of the PDOs, the registration procedure assumes a particular importance, as it conditions the long term life of these products differentiated by this instrument. An excessive proliferation of products with a PDO would contribute to trivialise the signification of this differentiation. A second central aspect of the functioning of the PDO is a crackdown on fraud. As we have already examined, the registration of PDO has two consequence for the users of the protected denomination: automatic protection and name reservation. These two points require public authority commitment and control structures to assure the surveillance of the correct use of the denominations (respecting the specifications), and are incorporated into the retail trade stage. Finally, the promotion of products occupies a central spot in the PDO steps because the consumer must be informed of particular efforts granted by the producers in the frame of the PDO (basic principle for differentiation strategies).

Regarding these three points which condition the PDO credibility, the research has permitted to list the following activities:

Administrative management, that is:
- selection of candidate products wishing to obtain a PDO,
- approval of specifications,
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- defence of the PDO on a national and international level,
- crackdown on fraud on the national level,
- national legislation and European parity,
- approval and surveillance of the certification and control organisations.

Authentication and controls, that is:
- developing the specifications,
- certification of products,
- production condition controls,
- product controls,
- carrying out organoleptic analysis and tests.

Promotion, that is:
- generic promotion of the PDO sign,
- promotion of a particular product.

According to the examples of France, Italy, and Spain, several "geographical" levels of competences distribution coexist: national, regional (in the administrative sense of the French Region, the Italian Province or the Spanish autonomous Community) or local (involved actors concerned with the same network, for example). A variable supplementary to the organisation of task forces is that of their distribution between the public, private (associative type) having non-lucrative goals, or private (commercial type).

We can finally oppose the political bodies of the "Commission" or "Committee" type, where the role is to give advice motivated on general objectives or attributions to recognition signs, to the bodies exclusively executive such as the certification bodies. Certain organisations draw concurrently regardless of the two functions, for example, the French defence unions, the Italian consortiums or the Spanish regulating counsels.

Figure 2 allows the visualisation of, for the three countries,
- National levels (at the top), regional (in the middle), and local (on the bottom),
- Public (in grey) or private (in white) status,
- "Policy" decision function (double frame).

It is to note, as Eymart-Duvermay, 1993 [13] had already brought to attention, that a "multitude of forces intervene on the quality: the diffusion of a good passes by through the constitution of a network of forces, the mobilisation of one by the others resting on the negotiation measures". The number of competent private or public organisations in the management and the promotion of the PDOs prove in itself that to take down the specificity linked to the origin and to meet the social recognition of this demonstration, the networks of the products designated by their origin must, before all, create their own internal dialogue field (inter-professional) to form as partners, public or private authorities. The negotiation points between product partners and recognition organisations are now taken up, with an analysis founded on the examination of the principal success factors of the PDO shown in the research.
Figure 2: Distribution of activities between the different contributors
5.2 Interactions between actors and public administrations and PDO success factors

Among the success factors of supply chain steps having created protection procedures for their products as PDO (Barjolle, Bussy, Mesplou, 1994 [3]), we have found four important points: the notoriety of the name, the cohesion of the zone of origin, the formulation of product specifications and the choice brought about as regards to controls:

• The name of the protected product is itself an important element because the richer its evocation, the more the product's notoriety is established for the consumers, the more the commercial publicity concept will bring and the less the substitute products will have a chance on the market.

• The zone of origin must keep a sufficient unity face to face with the product history and be linked with the particularities of natural conditions. In fact, the coherence of the supply chain forces will be much larger than the production conditions imposing equivalent costs to different grades of the product development.

• The formulation of technical aspects in the product specifications includes the definition of the product as well as descriptive elements on the development of the product. A strong consultation between the concerned parties is thus essential in order to evade judgement errors (the descriptions could easily be too permissive, opening possibilities of too big or strict product heterogeneity, by prompting the partners to generalised fraud).

• The controls are very important as well, the choice of control points, aimed at the agricultural producers as well as at the final product developer, their frequency and economic development through trustworthy advice aimed at the concerned people are very much the key elements of success. They condition the homogeneity of the production, avoiding as well the frustrations between the supply chain linked to the qualitative level of the product.

The notoriety of the name of origin is thus the first element identified. Completely independent of the institutional framework and of professional choices, this factor demonstrates that the contact with the market is in the centre of the relevance of the approach.

The second element shown is the cohesion of the area of origin. Upon this factor, the supply chain are called to make a decision. The PDO products are generally overflowing a lot from their historical zone in the strict sense. Strongly linked to indirect control of quantities produced, the delimitation kept is a central stake for the future of the product. In France notably, public administration has a decision-making role to fix the definitive contours of the zone of origin. Actors of the supply chain and administration are intimately linked in the decisional process.

Following the process of the PDO recognition in France allows us to place the role of the geographical delimitation (points 7 and 8):

1. The regional partners of the supply chain of the concerned product must organise themselves into a defence union (the demand cannot come from a person or an enterprise with private title).
2. This union prepares, in consultation with the National Institute of Product Designation of Origin (INAO), an application file containing: the reasons motivating the PDO request, proof of notoriety, proof of a link between the product and natural, technical, and social conditions which confer to the product its typicality, a financial study (market, networks, price, added value in relation to other similar products).

3. The file is then transmitted, for advice, to the INAO regional committee (if there is one founded). This committee is the consulting body on the regional level, it is made up of representatives of the administrations and professionals of the supply chain.

4. The INAO national committee then gets the file. This committee is a consulting body for all questions relative to the PDO, and has the decision-making power concerning the recognition of the PDO and the fixing of the production conditions. The concerned committee names an investigating committee, made up of national committee members and professionals involved in the PDO chosen outside of the concerned region.

5. The investigation committee draws up a report announcing the admissibility of the demand and eventually fixing the production conditions.

6. The national committee reads the investigation committee report and approves, adjourns, or rejects the application.

7. In the case of approbation, a defining commission for the foundaries shall be named, which is responsible for precisely defining the geographical area of production.

8. The national committee shall approve the boundaries established by the defining commission and then transmits the file and the official publication project drawn up by the INAO services.

9. Publication of a declaration to the French Journal Officiel, signed conjointly by the Agricultural and Fishing Department and the Finance Department.

10. The Agricultural and Fishing Department must finally transmit the file, conjointly with the Finance Department, to concerned authorities from Brussels.

(Remark: this complex procedure lasts at least two to three years. Its current form dates from the 1994 revision of the PDO law).

A third element influencing the success of the proceeding of the PDO is the formulation of the way to work out the product (specifications). The essential points concern the production conditions for the dairy producers, cheese-makers, and the ripeners in the case of cheese. The respect of the product in its traditional dimension and its relationship with the territory implies renouncing certain standardisation techniques of the process. The choice of authorised techniques in the specifications is fundamental. As a matter of fact, the actors of the supply chain harmonise by slanting certain production costs. The prices are thus partially a function of this choice of techniques.

For example, in the case of Parmigiano Reggiano, the number of dairies is continually decreasing, going from 2,350 units in 1952 to 685 today, without however getting at a production concentration. Indeed, even the main dairies don't gain even 1% of the total production. The manufacturing constraints (collections twice a day, raw milk, natural creaming, traditional cauldrons, forbidding any additives) owe their origin to this phenomenon. (...) An analysis carried out on a sample of dairies which represent 80% of the structures in the Modena province had as their goals to determine the influence of the

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dimension of dairies to the price of milk paid to the producers. This shows that there exits a variability, in the selling prices, in the costs and in the price paid for milk, between large and small units (Piccinini A., Bergamini G., 1994 [22]). Even so, there don't exist economies of scale, neither on the level of production costs, nor on the sales level. This result has been confirmed by other researches (Messori F., 1979, Giovannetti E., 1991 [14]). That is to say that small-scale dairies (less than a million litters of milk processed in one year) are capable of getting to the same degree of efficiency for the costs of milk transformation as large-scale (more than 8 million litters of milk) ones. This is due to the organisational aspects and production technologies which are traditional, and for which the subjective skill prevails over the industrialisation attempts. (Bertozzi, 1995 [6]). The techniques relative to product development are almost exclusively in the competences of the actors involved in the supply chain. However, the case of disagreement between professionals is frequent and the administrative process of PDO recognition or the specification modification procedure can make certain institutions play the role of arbitrator or reconciler (regional committee by INAO products in France for example).

A fourth element which is a condition for the success of the product on the market is the choice of means of product controls, which intend to enforce the respect for each of the production conditions. All control points in the specifications must have a practical goal of certification, notably the origin of raw materials or the respect of production conditions. If the controls are superfluous, the costs begot by the controls become prohibitive and are no longer accepted by the actors of the supply chain. However, insufficient controls rapidly provoke frauds, which commit a breach to the credibility of the steps in regard to the users. In the choice of control points, the actors in the supply chain are implicated in the same way as the public administration forces. These last ones fix, indeed, the rather strict rules of the game, securing the intermediate buyers and the consumers. The European regulation 2081/92 foresees in this case to trust the certification of the product to public or private structures (private individuals must respect the EN norm 45011).

The actors are active in the development of the control system and give value to the system. On one hand, the choice of requirements to control are partially their responsibility, even if after they must be validated by competent authorities. On the other hand, the giving values to controls by a process of personalised advice to the producers favours the mastering of quality of the product as well as its steadfastness. The goal is not to standardise the organoleptic or even physical characteristics of the product, but to avoid defaults detrimental to the products' image (taste, look, texture, flavour, etc.). The regions in the defined zone of production must nevertheless know how to express their differences. Research shows for example the influence of the compositions of the meadows on the components physical-chemical of cheese (Basset, 1994 [7]).

Nevertheless, it is strategic autonomy that sets out the inter-professional groups that finally influence the competitive position of the product on the market. As a matter of fact, a coherent policy is founded on the mastering of four principal marketing-mix instruments (Kotler, Dubois, 1994 [15]), that is:

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*norm relative to the authentication organizations of the products*
The product, in its two dimensions: description of the measurable parameters and development methods, raw materials included. The group of producers is equally relevant to co-ordinate the actions of research/development interesting the entirety of the partners in the supply chain.

The price, by definition of harmonised production constraints in the specifications. The objective of the price can also be reached by agreements between different partners on the subject of the nature of the product diversification (for alternative uses of raw materials, which is for example in the Roquefort supply chain), allowing a management of the volumes of PDO products put on the market.

The communication, by actions planned to promote the PDO by the inter-professional body. The research of public funds to better lead the promotion actions and the exploiting of local synergy are sprang from inter-professional body as well.

The distribution stays more often to the privilege of the involved parties themselves, though in the case of certain products (Beaufort for example), the very strong coordination of sales efforts permits a more coherent distribution policy, reinforcing the effect of the PDO on the positioning of the product.

6. CONCLUSION

In the differentiation strategies founded on the particular qualities, two elements have been shown:

- The "quality" of regional products refers more to the production methods that to the product itself. The characteristics of the products, which follow from the differentiating attribute on the market, are thus not directly perceptible at the moment of purchase by the consumer.
- Contrary to the "classical" strategy of differentiation through the quality between competing private businesses, the particularity is that "the technology and the know-how belong more here to a specific professional environment than to that of a business" (Sylvander, Melet, 1994 [26]). The concerned parties group together their interests with the objective of optimising the economic valorisation for the consumers. Besides these two fundamental elements, the worries of the consumers (their need to know the characteristics of foodstuffs) and the development of markets outside the production area (zones of origin) have prompted authorities to establish precise regulations having as goals the bringing of guarantees to consumers. On the side of regulations as regards hygiene and public health and the pre-existing judicial frame as regards the protection of brands and the origin indications, product certification procedures have to be installed assuring consumers that the product really possesses the specified characteristics of which it claims.

In the three countries studied (France, Spain, and Italy), we were able to show the indisputable influence of institutions on the commercial performance of Protected Designation of Origin. It shows notably that the key points of PDO public administration (selection of products, crackdown on fraud and promotion of products) depend strongly on the designations of tasks between the institutional contributors and the contributor type:

- The selection of products is even more judicial because of the professionals taking part in the decision, as is the case in France in the INAO sector-related committees.
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Purely administrative selection procedures (as it was the case in the past in Italy) take place for arbitration disputed and sometimes groundless.

- The decentralisation of competency on the regional level (Spain) presents certain advantages, notably for the specific support in the starting-up phase of a designation. However, the harmonisation of the product selection criteria is necessary on the national level, as on the international level for the coherence of a registration system role, which could henceforth be taken up by the Community Commission. Moreover, the crackdown on fraud is certainly less efficient if it is not co-ordinated in the national plan.

- The generic promotion of the "PDO" sign is little developed. The presence of a specialised organisation with vast competencies (INAO type in France) or associations of groups is a positive point which well permits the achievement of certain generic information campaigns in order to attract a preference to consumers.

We have as well identified that one of the central elements of numerous PDO procedures is a strong and well-structured inter-professional organisation. This is coherent with the fact that the principal elements put under administrative regulation are compromised between different involved actors (social construction finalised by the product specifications). The adhesion of the entirety of local partners to the co-ordination steps around the product, as well as their negotiation power near the authorities are directly linked to the good functioning of the inter-professional body. This economic co-ordination between the agents results in regulations established by the authorities which recognise the inter-professional body as negotiation partners. In this, we underline the importance of the co-ordination between the players in relation to proper business policy in the taking of strategic decisions orientated on the market's positions of Protected Designation of Origins.

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