

# Tracking Governance for GI organizations

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**Abstract** – Research has shown that collective action depends on the ability of organizations to develop a strong and participative institutions to be able to implement almost any cooperative endeavour. This is the case of Geographical Indications (GIs), whose ability to succeed depends, among many factors, on their capability to develop a strong governance framework that can deliver strong benefits to both GI producers and other stakeholders in the territory.

Good governance depends on being able to assert and demonstrate attributes that can, and must, be tracked so that GI Organizations can create an environment of cooperation with value chain stakeholders and with other institutions and authorities. A first stage for decoding governance suggests that GI organizations must be legitimate, participative and transparent. Understanding these concepts so that they can be tracked may ensure the long-term credibility of GI organizations so that they can achieve success.

**Keywords** – Governance, Geographical Indications, Legitimacy, Transparency, Representativeness.

## INTRODUCTION

Strong institutions are recognized as a key success factor for fruitful collective endeavours in general and Geographical Indications (GIs) in particular (Commons, 1931; Giovannucci et al, 2009; Harding, 1968; North, 1987 & 1990; Olson, 1965; Ostrom, 1990; Quiñones-Ruiz et al, 2016; Reina et al, 2007; Schmid, 1987; Skilton, 2013; among many others). Apart from reflecting local culture and traditions and adapting to changing contexts and environments, the literature has suggested conditions and principles for successful institutional arrangements and ways to measure social capital (Ostrom, 1990; Inglehart et al, 2020; Keefer & Scartascini, 2022). Achieving a good governance is particularly relevant for GIs, as they depend on the collective goodwill and on the cooperation of several stakeholders which include, in addition to producers, government officials and value chain actors. The large majority of the nearly 9,000 GIs around the world (oriGIn, 2022) depend on their ability to be respected and credible in order to enlist the cooperation of these and other stakeholders.

The theoretical work on institutions has provided useful frameworks for GI Organizations (Bienabe & Marie-Vivien, 2017; Coneely & Mahon, 2015; Jeffery & Peter, 2000; Kizos et al, 2017; Niederle & Masgarahas, 2017; Quinones-Ruiz et al, 2017 & 2020; Revirón & Chappuis, 2011; Sidali & Scaramuzzi, 2014), which may be known as Conzorzia, Regulatory Councils, Trade Associations, or producer associations. Recognizing the crucial role of institutions for GIs, oriGIn and FAO's Sustainability Strategy for Geographical Indications (SSGI) has included Governance as a key sustainability pillar for any GI system. GI organizations are therefore challenged to review and manage their own governance and ensure their long-term success. However, there seems to be a void in the literature for GI organizations to understand the

different components of governance and how to track them to gain the required credibility to ensure a successful GI system.

## GOVERNANCE: A WIDE MEANING

Tracking institutional attributes requires an effort to define governance and understand its components. Certification agencies such as fairtrade and other collective efforts, such as the International Cooperative Alliance, have developed principles of governance to follow to ensure they achieve credibility (International Cooperative Alliance, 2015). A useful definition suggests that Governance is "the system by which organizations are directed, controlled and held accountable" (Conforth, 2003). When it comes to GI organizations, this "system" needs to articulate the interests of producers and private sector actors as well as government institutions (which may include policymakers in the areas of agriculture, rural development or intellectual property), and authorities from the territory where the GI product originates. In addition, GI organizational governance must consider the local inhabitants and their identity, while striving to obtain the credibility of distribution channels and consumers. The complexity of a GI system governance requires several "mechanisms, processes, relationships and institutions through which individuals and groups articulate their interests, exercise their rights and obligations, and mediate their differences" (Vandecandelaere et al., 2009).

The recently published Manual for GIs in Africa (Afripi, 2022) and the SSGI have tried to decode governance identifying key components that any GI organization should consider. Key topics include representativeness, legitimacy and transparency. In addition, GI organizations must be cognizant of the need to enhance their communications to both internal and external stakeholders to ensure that these audiences are aware of the policies and decisions, explaining the "reasons why" behind them.

## SELECTING KEY CONCEPTS AND MEASURES

The three components of governance to be explored require further understanding of their complexity and possible indicators to track them.

*Representativeness* involves reviewing whether decision makers adequately embody GI producers. This implies understanding the GI system, the different activities contemplated in the GI specifications (*cahier des charges*), and whether producers and processors, as the case may be, are part of the bodies that make decisions affecting the GI system considering the collective interests. In addition to the role of producers or processors, representativeness may be analysed by other criteria such as gender, size of operation or geographic origin. Another aspect to consider is whether GI producers in charge of making decisions within the GI organization decision making instances actively participate in such venues. In other words,

representatives and active participation must be jointly reviewed and measured.

*Legitimacy* involves its own set of components, which have been explored with some detail (Garthoff, 2010; Santana, 2012; Suchman, 1995; Thévenod-Mottet, 2006). First, there is regulatory legitimacy, which is strongly associated with the concept of due process, compliance with the law and compliance with the GI organization's own internal by-laws or other rules of internal operation. The GI organization must therefore adhere to the different rules and instances of collective decision making. A second subcomponent could be described as perceptive legitimacy, which includes the use of symbols, the respect of traditions and the appropriate and expected behaviour of the individuals running the GI organization and its decision-making bodies. A third aspect to consider can be described as cognitive legitimacy, which deals with the respect that derives from the degree of preparation of the people that belong to the GI organization and the depth of analysis and soundness of the choices they make.

*Transparency* is another key pillar of governance. In the case of a GI organization, it means the ability to make decisions in an open, transparent manner, disclosing conflicts of interests when required. The processes of enforcing GI rules must be neutral, (Ménard, 2000) absent of any possible interference of interested parties. Transparency also involves the credible management of financial resources and the regular and open reporting of the GI organization's activities.

Lastly, GI organizations operating in the XXIst century must be cognizant on the need to actively communicate, as governance credibility also rests on communication. The appropriate timing and the format of how GI organization decisions are conveyed and explained to stakeholders can bring about confidence in those making those decisions.

### **TRACKING GOVERNANCE**

Clearly there is no one single attribute and variable that can monitor governance and the effectiveness of a GI organization. The work being done in the context of SSGI provides a total of 75 indicators to monitor a GI organization governance (Vandecandelaere et al 2021) The battery of indicators is distributed in 5 themes (rule of law 24 indicators, accountability 17, participation 16, holistic management 13, ethics 5). As the SSGI becomes available and is used by a larger number of GI organizations, selecting key indicators of interests to track governance will be a key aspect to consider of future research. At this point 44 indicators have been selected as key indicators that may be considered for all GI organizations.

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