

Cross-Border Territorial Development through Geographical Indications: Gargano (Italy) and Dibër (Albania)

Subjects: Geography, Physical

Contributor: Antonio Caso, Simona Giordano

In a globalized context, characterized by dominant trends towards the homogenization of food products and taste, local and niche productions play a vital role in creating effective strategies of territorial development. Albanian food heritage is definitely one of the most various of the Western Balkans. The Ottoman domination and the Mediterranean position just in front of Italy led to an incredible mix of cultures and traditions. As Albania is a candidate to join the European Union, it has a stronger opportunity of protecting its excellent-quality food products with PDO and PGI marks. Moreover, Albania's territory shares fundamental features with Gargano lakes, especially with relation to the county of Dibër, where Ulez and Shkopet lakes are located. Both the areas' traditional food products are and can be an important factor of sustainable and participatory development, and the present contribution aims at exploring possible paths of territorial development at a cross-border level, in the framework of a sort of "dialogue" between the two regions through Geographical Indications (GIs).

Keywords: cross-border development ; Protected Denomination of Origin (PDO) ; Protected Geographical Indication (PGI) ; Albania ; Gargano ; traditional food products

When it comes to Geographical Indications (GIs), the peculiarities that consumers find appealing are connected to the distinctive set of characteristics of each product's specific geographic origin and/or the specific production techniques employed in each site/production area (i.e., the concept of "terroir") ^[1]. According to Bowen and Muterchbaugh ^[2], the term "terroir" reflects the relationship between origin and quality by asserting that the quality of each terroir is derived from the choice of particular varieties; although the term originated in the viticultural sector, the extension of grape variety protection to the entire agri-food sector allowed the term to be widely used (Loi n 90-558 du 2 juillet 1990 relative aux appellations d'origine contrôlées des produits agricoles ou alimentaires, bruts ou transformés—Légifrance). According to sociology, this idea conjures up bonds of solidarity that form around common identities, destiny, and skills as well as the formulation of social norms ^[3].

Therefore, the primary function of GIs in this scenario is to offer a reliable certification method capable of resolving the problem of asymmetric information ^[3]. In keeping with the overall scope of EU quality policy, the discussion in this contribution, while not claiming to be exhaustive, aims to outline a framework for analysis of the relevant issues related to the preservation of the socio-cultural features of different production sites and traditional know-how, all of which deserve special attention and protection. By adding "Geographical Indication" (GI) to product names, businesses may effectively target specialized markets while simultaneously igniting a positive process that can increase customer confidence and identify high-quality items. Products that are being considered or that have received GI recognition are included in specialized registers along with any pertinent data that may be used to pinpoint the location and details of each product's manufacture. The GI protection system, which is governed by EU legislation, safeguards the names of a number of products by verifying the presence of distinctive traits and enhancing their reputation as products with a connection to the region of production. PDOs (Protected Designation of Origin) and PGIs are GIs (Protected Geographical Indication). The primary distinctions between PDO and PGI relate to how much of the production process must necessarily take place in the same region or how much of the raw materials for each product must originate from that region ^[4].

As far as the legal framework is concerned, the main reference is "Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs on the protection of Geographical Indications and Designations of Origin for agricultural products and foodstuffs" (Official Journal of the European Union, Regulation (EU) no. 1151/2012), replacing Council Regulation (EC) No 510/2006, that foresaw the possibility for producers from third countries to finalize trade agreements with the European area (Official Journal of the European Union, Regulation (EU) no. 1151/2012).

If the nation of origin of the non-European product name has a bilateral or regional agreement with the EU that provides for the mutual protection of the same product name, then the non-European product name may also be registered as a geographical indication (GI). While both EU and non-EU GIs protected by agreements may be viewed on the GIview site, GIs applied for and formally included in the EU registers can be consulted on eAmbrosia (the official database of EU GI registrations). It is important to keep in mind that although customers are normally prepared to pay more for GI items, there may be variations in the amount of the premium. In actuality, GIs may be considered the cornerstone of an effective

differentiation approach. Differentiation is one feasible tactic to establish a long-lasting competitive advantage, according to Porter (1985)^[5]. In a differentiation strategy, businesses work to stand out from the competition along certain customer-valued dimensions. As a result of their dominance in this area, they are rewarded with a higher price. The following factors are part of the economic justification for geographical indications: quality uncertainty and asymmetric knowledge may be detrimental to consumers; products with high and low quality may be priced similarly; the “lemon” dilemma, where low characteristics push out high qualities, may occur ^[6]; local origin influences quality; geographical origin protection might prevent market failure; geographic origin becomes a search characteristic instead of only a credential under legal protection and the related label; regional origin label protection lowers search expenses and improves customer welfare; intellectual property rights; manufacturers of excellent quality are compensated more and earn more money; the market is kept free of copycats and unoriginal manufacturers; helpful for the development of rural areas, rural communities, and the economy.

In the last twenty years, many publications have highlighted the connection between recognized regional food products and economic benefits for local rural areas ^[7]. In the context of this research, it is critical to analyze how Geographical Indications (GIs) have the ability to encourage agricultural development, which is inextricably linked to the intellectual and cultural property protection that GIs offer to specialist products.

To continue the categorization, GIs can be separated into PDOs and PGIs products based on the various production processes incorporated in each case to be evaluated. According to the EC Regulation 2081/92:

- Protected designation of origin (PDO) is attributed to a product whose characteristics are exclusively linked with a country, a region or a place due to its particular environment features or to its specific cultural traditions. All the phases of production must occur in that specific place.
- Protected Geographical Indication (PGI) is also attributed to a product whose characteristics are exclusively linked with a country, a region or a place due to its particular environment features or to its specific cultural traditions. Not all the phases of production, however, need to be completed in a specific place, but only one is necessary.

Progressively, the European Union started to understand the possibility of these recognized products for marginal rural areas and the importance of a more diversified agriculture. In accordance with the European Union's stance, three dimensions of rural development are worth considering: endogeneity, integration, and sustainability ^[8]. It is feasible to increase the economic worth of agricultural products by developing a distinct reputation associated with their characteristics, so capitalizing on a critical marketing tool ^[9]. Moreover, they can have positive effects also on tourism ^[10]. The strong cultural identity associated with these products is a potent means of boosting indigenous peoples' and tourists' awareness of the values embedded in them and the natural resources of each product location. Indeed, as Lamy ^[11] argues, Geographical Indications can operate as a wealth multiplier; they can be regarded as both a resource to be relied on and a part of each community, a kind of “common intellectual property” ^[12].

GIs have the potential to encourage a more equal distribution of wealth between urban and rural areas by offering rural development opportunities. It is critical, inside the European Union and as a result of the current debate, to stress understanding about the importance of this tool not only in countries where it is already well recognized, such as Italy or France. Generally Mediterranean countries are more involved in the protection of their products, while a positive example for Western Balkans is Slovenia which from 2004 has managed to make 25 PDO and PGI products approved by the European Commission. Even if is not in the top 10, Slovenia is 11th for the number of PDO and PGI wines and any information can be found on the website of the Ministry of Agriculture, Forestry and Food. As the main actors of the next possible enlargement and as the “bridge” for the new commercial routes with Asia, Western Balkans economies have been taken under the observation of European Union and, even though in Western Balkans countries agriculture employment is decreasing, it still plays a fundamental rule: 40.28% in Albania, 19.12% in Bosnia and Herzegovina, 19.02% in Serbia and 7.64% in Montenegro (there is no data available for Kosovo and Former Yugoslav Republic of Macedonia). In addition, Croatia, Slovenia and Greece (respectively 7.54%, 4.93%, and 12.13%) have a higher rate of agriculture employment than the average of EU that amounts to 4.92% (World Bank data, 2018). Therefore, the protection of traditional excellent food products appears to be an important rural development instrument in that area. Some products have been already mentioned in several scientific publications about Serbia ^[13], FYROM-Northern Macedonia ^[14], Kosovo and Montenegro. Many products mentioned in the research about possible PDOs and PGIs from Western Balkans are cheeses or fresh and cooked meat products while in FYROM-Northern Macedonia we can find fruits, vegetables, and cereals. The situation of Albanian products is different, probably due to the location of the country between the Slavic countries of the Balkans and the Mediterranean nations like Greece. Moreover, the Albanian territory (which represents 0.26% of European surface) encases more than 30% of European plant heritage ^[15] and this fact can explain the huge diversity of Albanian typical products. Additionally, the isolation of the country from the Serbian Empire before, and from Yugoslavia in the 20th century makes the traditional food context of the country extremely various. In 2008, harmonized with the EU legislation and with the help of the European Patent Office, the first Law on Geographical Indications of Products and Services has been approved by Albanian Parliament and the General Directory of Patents and Trademarks has been designated as responsible for the procedures of protected origin.

References

1. Giordano, S. Territorial identity and terroir. An analysis of the role of organic viticulture in the durability of rural landscapes. In *Proceedings of the Conception de Systèmes de Production Agricole et Alimentaire Durables dans un Context de Changement Global en Méditerranée*; 1er Forum Méditerranéen de Doctorants et Jeunes Chercheurs, CIHEAM-IAM, Montpellier, France, 18–19 July 2016.
2. Bowen, S.; Muterchbaugh, T. Local or localized? Exploring the contributionsof Franco-Mediterranean agrifood theory to alternativefood research. *Agric. Hum. Value* 2014, 31, 201–213.
3. Moschini, G.; Menapace, L.; Pick, D. Geographical Indications and the Competitive Provision of Quality in Agricultural Markets. *Am. J. Agric. Econ.* 2008, 90, 794–812.
4. Clodoveo, M.L.; Yangui, A.; Fendri, M.; Giordano, S.; Crupi, P.; Corbo, F. Protected Geographical Indications for EVOO in Tunisia: Towards Environmental, Social, and Economic Sustainable Development. *Sustainability* 2021, 13, 11201.
5. Porter, M.E. *Competitive Advantage: Creating and Systaining Superior Performance*; Free Press: A Division of Macmillan, Inc.: New York, NY, USA, 1985.
6. Akerlof, G.A. The Market for “Lemons”: Quality Uncertainty and the Market Mechanism. *Q. J. Econ.* 1970, 84, 488–500.
7. Brunori, G.; Rossi, A. Sinergy and coherence through collective action: Some insights from wine routes in Tuscany. *Sociol. Rural* 2000, 40, 409–423.
8. Pacciani, A.; Belletti, G.; Marescotti, A.; Scaramuzzi, S. The role of typical products in fostering rural development and the effects of Regulation (EEC) 2081/92. In *Proceedings of the Policy Experiences with Rural Development in a Diversified Europe, EAEE Seminar, Ancona, Italy, 28–30 June 2001*; Available online: https://www.researchgate.net/publication/228776258_The_role_of_typical_products_in_fostering_rural_development_and_the_effects_of_1 (accessed on 1 October 2022).
9. Babcock, B.A.; Clemens, R. *Geographical Indications and Property Rights: Protecting Value-Added Agricultural Products*; Midwest Agribusiness Trade Research and Information Center (MATRIC) Publications, 2004; pp. 1–49. Available online: <http://www.card.iastate.edu/products/publications/pdf/04mbp7.pdf> (accessed on 1 October 2022).
10. O'Connor and, Co. *Geographical Indications and the Challenges for ACP Countries. A Discussion Paper (Brussels 2005)*. 2005. Available online: <http://agritrade.cta.int/en/content/download/2026/54966/file/9ff273fdcd02bad5354991647de82f9c.pdf> (accessed on 5 September 2022).
11. Lamy, P. Speech at the Creation of the Organisation for an International Geographical Indications Network (ORIGIN). In *Proceedings of the ORIGIN, Brussels, Belgium, 11 June 2003*; Available online: http://europa.eu/rapid/press-release_SPEECH-03-292_en.pdf (accessed on 12 September 2022).
12. Tregear, A.; Arfini, F.; Belletti, G.; Marescotti, A. The Impact of Territorial Product Qualification Processes on the Rural Development Potential of Small-Scale Food Productions. In *Proceedings of the XI World Congress of Rural Sociology, Trondheim, Norway, 25–30 July 2004*; Available online: https://www.researchgate.net/publication/242294730_The_impact_of_territorial_product_qualification_processes_on_the_rural_developme scale_food_productions (accessed on 12 September 2022).
13. Savić, M.; Arsić, S.; Kljajic, N. Cheese market and quality marks in the Republic of Serbia and European Union. *Bull. Econ. Ser.* 2011, 63, 50–58. Available online: http://www.upg-bulletin-se.ro/archive/2011-2/5.%20Savic_Arsic_Kljajic.pdf (accessed on 12 September 2022).
14. Nacka, M.; Georgieva, N.; Emelj, T.; Vasko, H. Support in decision-making for protection of geographical indications of Macedonian agro-food products. In *Proceedings of the Tools for Decision Support in Agriculture and Rural Development, Krško, Slovenia, 18–19 April 2013*; Available online: <http://ageconsearch.umn.edu/record/183906/files/3-Marina%20Nacka.pdf> (accessed on 8 September 2022).
15. Hoxha, S.; Proko, A. *Introduzione Sul Patrimonio Genetico Agricolo in Albania. La Cooperazione Italo-Albanese per la Valorizzazione della Biodiversità. CIHEAM. Bari: 141–152 (Cahiers Options Méditerranéennes: 53)*. 2000. Available online: <http://om.ciheam.org/om/pdf/c53/01002032.pdf> (accessed on 12 September 2022).