

**GEOGRAPHICAL INDICATIONS
IN COMMODITY CHAIN ANALYSIS:
POLICY AND RESOURCE RENTS**

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STATEMENT OF ORIGINALITY

This thesis is my own work and does not incorporate, without acknowledgement, any material previously submitted for a degree or diploma in any university. It does not contain any material previously published or written where due reference is not made in the text. I certify that the human ethical approvals obtained, and the intellectual content of this thesis is the product of my own work and that all the assistance received in preparing this thesis and sources have been acknowledged.

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ABSTRACT

New challenges have arisen in the protection of geographical indications (GIs), in terms of both global policy harmonization, and the achievement of more egalitarian agricultural societies. This study compares policy rents (characteristics of the GI process) and resource rents (crop characteristics) to analyze the potential of GIs in sustaining rural livelihoods in a setting where agriculture is homogenized, but discontinuous and partially industrialized. Case studies of GIs from Turkey's Aegean Region are presented, using the disarticulation approach of commodity chain analysis. Data are drawn from 56 field interviews and 150 survey interviews with actual producers and professionals from local institutions in Western Turkey. The agro-exceptionalist perspective helps to identify the differential rates of capitalist penetration in the agro-food sector and the potential of GI systems, to delink commodity chains from the extra-territorial lead firms by linking local products to their geography and culture. Research findings show that the potential for GIs to stave off the appropriation/substitution mechanisms of agro-industry is contingent upon the particular local governance mechanisms in place. Establishing the kind of qualitative, place-based rents that successful GIs require for certain goods is especially difficult, however, precisely because these rents tend to easily fall into the appropriation/substitution agro-industry machine.

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ACRONYMS

ACC : Ayvalik Chamber of Commerce

- CAP : Common Agricultural Policy
- EU : European Union
- FLO : Fair-trade Labelling Organization
- GI : Geographical Indication
- GMO : Genetically Modified Organism
- IFOAM : International Federation of Organic Agriculture Movements
- IME : Izmir Mercantile Exchange
- ISO : International Organization for Standardization
- NGO : Non-Governmental Organization
- OOPC : The Olive and Olive Oil Promotion Committee
- SPSS : Statistical Package for the Social Sciences
- TNC : Transnational Company
- TPI : Turkish Patent Institute
- TRIPs : Trade-Related Aspects of Intellectual Property Rights
- US : United States
- UZKK : National Olive and Olive Oil Council
- WTO : World Trade Organization

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CHAPTER 1: INTRODUCTION

This thesis is about how farmers and bureaucrats use geographical indications (GIs), which explicitly reference a place or territory, as a localist strategy to strengthen their position in global markets by challenging conventional agricultural practices. GIs are designations,

expressions or signs used to identify the origins, quality, reputation or other characteristics of products. According to scholars and policymakers, GIs are important tools that enhance farmer capacity and support rural development in developing countries to cope with the trade liberalization (Suh and MacPherson 2007). Some have argued that by explicitly referencing crop origins, GIs provide farmers a space for localism that enables them to cope with increasing pressures to produce standardized and simplified products (Barham 2003).

The goal of this study is to understand the potential of GIs to empower rural producers, by focusing on a comparative analysis of both policy rents (derived from human factors) and resource rents (derived from non-human factors), which contribute to more effective (successful) and equitable (fair) agro-production systems. It will be argued that GI protection is firstly related to characteristics of the GI process (policy rents) that constitute barriers to entry for competitors, and secondly to crop characteristics and its varied productivity (quality) derived from immobile and unique resources such as land, the environment, and climatic and traditional knowledge (resource rents). This analysis aims to show that GIs can be a means of sustaining the viability of rural environments and livelihoods only through the combination of policy rents and resource rents that challenge the logic of agro-business. In other words, it is the process of creating and regulating the GI (policies/processes) that protects the value of product quality (resources/crops).

Accordingly, it will be argued that the question of whether farmers and bureaucrats create obstacles to agro-business appropriation via GI protection is absolutely contingent on the types of governance forms they decide can be negotiated as they design these voluntary standards. Establishing the kind of qualitative, place-based rents that successful GIs require for certain goods is especially difficult, however, precisely because these rents tend to easily fall into the appropriation/substitution agro-industry machine. Policy rents

and resource rents are analyzed to identify special characteristics of the products, which in turn result in many differences in the governance structures of the product supply chains in question.

GI studies in the literature generally focus on theoretical discussions of how localism is an alternative or resistance to industrial and conventional agriculture, the role GIs play in changing or new paradigms of rural development, how certain existing registered GIs are employed, and additional efforts to harmonize GI regulations and policies across the world (Babcock and Clemens 2004; Echols 2003; Evans and Blakeney 2006). However, there are also a number of case studies that focus on various expectations and concerns raised by different chain actors in the design process of a particular GI. Understanding the consensus and conflicts that emerge during the design and implementation of a particular GI is crucial for any analysis of the potential of localism movements in this current global era. This thesis aims to bridge this gap in the literature by addressing the different expectations that local actors in GI projects have expressed. In addition, certain discursive and ontological dualities—such as culture/nature, human/non-human factors, and traditional/industrial—were analyzed to detect instances where there was a disarticulation from the dominant agro-industrial paradigm. The focus on dualities is important in the analysis of hybrid forms of governance in a given localism strategy. Based on this background, the present study asks the following research questions:

- How do the differences between characteristics of the GI process (the options that local actors negotiated in GI design) and differences between crop characteristics (the unique features of agro-commodities different from other sectors) affect efforts to develop and benefit from a GI protection status? This is examined in Chapter 3, where the pilot study investigates how comparing different GI protections for the same crop, and comparing different GI protections for different crops helps in the

development of a conceptual framework to analyze the varying impact GIs have in resisting homogenizing effects.

- Which characteristics of the GI process, and which options negotiated by local actors in the process of designing the GI protection status (policy rents) might improve rural livelihoods? This is addressed in Chapter 5 on policy rents, which investigates how the different options that local actors negotiate in defining the GI boundaries (geography) and code of practices (quality), and decision-making and participation processes (control) result in the numerous differences witnessed in supply chain management. The impact these differences have on efforts to develop and benefit from GI protection status is also examined.
- Which crop characteristics (resource rents) affect the various efforts to benefit from GI protection, due to different industrialization rates in agriculture (agro-exceptionalism)? Chapter 6, on resource rents, explores this question by looking into whether crop characteristics make a supply chain less or more attractive for agro-business appropriation and substitution, which in turn shapes the very processes of delinking a crop from conventional commodity chains/industrial clusters, and linking it to alternative supply chains through GI protection.

This chapter will present some background information on GIs, including their history and basic arrangements local actors must make that are crucial in legitimizing and enabling the transformation of added value to economic rent. The importance of rent-generating approaches to GIs will be discussed to illustrate how governance forms in commodity supply chains are changing and reorganizing under the dual effects of localism and globalism. The importance of having a critical outlook to understand the increasing commodification of territoriality through a nested hierarchy of livelihood strategies in a globalizing world will also be addressed. The chapter will end with a summary of the

research objective and the structure of the thesis.

1.1 A brief history of GIs

The GI designation provides consumers information not only on where the product originates from, but also its inherent qualities, since these necessarily depend on where the product was produced. GIs are the earliest types of trademarks that were established to differentiate certain goods from others, on the basis of their unique qualities that are grounded in local environmental factors, or processing methods, or manufacturing skills (Rangnekar 2003:11). Traders used them “as a means to exploit local reputation” associated with a certain geographical origin (Bramley and Kirsten 2007:74). Hence, they were distinguished from other place indicator signs, such as indications of source. While ‘Made in Australia’ is an indication of source, for instance, it does not imply any special quality, reputation or characteristic that can be attributed to its geographical origin. The message carried by GIs is a unique quality, attributable to geographical origin:

“...Place of origin provides a unique positioning opportunity. The premise on which place-based niche marketing rests is the fact that the economic value of certain products can be attributed to the unique environment from where they originate” (Bramley and Kirsten 2007:79).

The protection of geographical indications under intellectual property rights has its origins in international agreements. The most significant of these agreements are the 1883 Paris Convention on Intellectual Property, the 1891 Madrid Agreement on Indications of Source, 1951 Stresa Convention for the Use of Appellations of Origin and Denominations of Cheeses, the 1958 Lisbon Agreement on Appellations of Origin, and the 1994 World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) (Babcock and Clemens 2004; Barham 2003; Echols 2003; Evans and

Blakeney 2006; Hughes 2006; Ilbert and Petit 2009; Potter and Burney 2002; Vivas-Eugui 2001). Under these specific legislative provisions, different legal terms are used to name the products that are associated with certain place of origin, such as ‘appellations of origin’, ‘indications of source’, and ‘designation of origin’.

Given the variety of actors, values, labels, scale, and the pluralism of legal practice, the proliferation of GIs has been accompanied by a plurality of conceptual frames in the GI literature. Some examples include ‘local food systems’ (Feagan 2007; Feenstra 1997; Henderson 1998), ‘labels of origin’ (Barham 2003), ‘territorial quality certification systems’ (Canada and Vazquez 2005), ‘place-based products’ (Bowen 2010; Coombe and Aylwin 2011), ‘heritage-based food systems’ (Bowen and De Master 2011), ‘geographical origin labels’ (Menapace et al. 2011), ‘conventions of place’ (Rangnekar and Wilkinson 2011), ‘marks indicating conditions of origin’ (Coombe and Aylwin 2011), and ‘place branding strategies’ (Mettepenningen et al. 2012).

Compared to other earlier multilateral treaties, the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) sought to establish new standards and norms, in which GI was introduced as a new category of intellectual property rights in 1994 (Rangnekar 2003). Accordingly, geographical indications are currently protected in almost 160 countries across the world as a separate intellectual property in accordance with the TRIPS Agreement. However, they are similar to traditional knowledge “in their focus on old creativity and community ownership, rather than on the new knowledge and individual ownership usual in intellectual property law” (Echols 2003:199). The TRIPS Agreement defines GIs as follows:

“Geographical indications are 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 geographical origin” (WTO, TRIPS 1994).

TRIPS mandates a dual model of regulation, which provides higher levels of protection for wines and spirits but leaves other agro-products and foods under the protection of national governments. The European Union (EU) has campaigned to extend the level of protection in TRIPS beyond wines and spirits, and consequently, negotiations were undertaken in the WTO’s Doha Round. Almost all developing countries are demanding higher levels of protection for their own agro-products (Echols 2003).

European countries have a long tradition of associating certain kinds of food with particular regions (Evans and Blakeney 2006). In addition, the protection of GIs has been integrated into the EU’s new Common Agricultural Policy (CAP), where focus has shifted from ‘quantity-based’ to ‘quality-based’ products, meaning from “large-scale production of bulk commodities to the production of high value added products” (Babcock and Clemens 2004:7). The resurgence of GI protection in Europe has become integral to its newly developed agricultural policy, which aims to strengthen rural livelihoods and protect European heritage (DuPuis and Goodman 2005). DuPuis and Goodman (2005) state that “the CAP is undergoing a gradual transformation from a strongly centralized model in which a multi-functional agriculture is a key element of an integrated more pluralistic approach to rural development” (359-360). GI protection has been observed within the EU since 1996, as a rural development policy that provides employment and higher incomes for people especially living in remote rural areas (Folkeson 2005). Accordingly, this policy encourages farmers to produce high quality products rather than bulk commodities (Folkeson 2005), which diminishes the negative effects of US-dominated corporate globalization on world markets (DuPuis and Goodman 2005: 360). Some argue that

developing countries should import this European model by working with the EU towards increased protection of GIs for agro-products in the WTO (Evans and Blakeney 2006).

A number of authors in this line of literature explain that GIs hold a certain potential in terms of rural development, especially in disadvantaged mountain areas (Pacciani et al. 2001). Mettepenningen et al. (2012), for instance, argue that GIs promote rural development in two ways; by building networks and institutions that strengthen livelihoods, and by combating regional homogenization through protecting local cultures and traditions in precisely defined ways. From this perspective, GIs have the potential to create vital spaces to help maintain rural communities and cultures faced with the homogenizing impact of industrial agriculture. Yet, legal protection conferred by the GI status does not necessarily contribute to sustaining the viability of small farming and traditional knowledge. Further, the institutionalization process of a particular GI sometimes eradicates and diminishes locality (Bowen and De Master 2011). “The norms that regulate GI labels may remain hidden and dominated” by lead actors within the supply chain (Bowen 2010:233). They may turn into a “relic spatial strategy” whereby even remote rural areas became subordinate to the global economic system and its decision-making pathway (Wilson and Whitehead 2012:205).

In Turkey, for instance, GI protection is perceived as a legal basis to prevent unfair competition that may derive from the uncontrolled use of geographic names (Nizam 2009). Consequently, GI-related national policies in Turkey have seemingly transformed into a technical issue that is relevant for global trade regulation. This continues to be the case, despite the fact that Turkey has entered a joint development agreement with the EU through the CAP and GI protection has been put in practice. In short, it is neither theoretically nor practically self-evident that developing countries will follow the trend

outlined in EU policies—where the focus is on a general social policy that aims to preserve traditional knowledge systems—in legal applications of GI protection (Nizam 2011).

1.2 Approaches to understanding the role GIs play in a globalizing world

GI protection has become a popular research topic in the political economy of food, as part of wider debates on local-global relationships. Watts and Goodman (1997) explain that food production has become increasingly industrialized and globalized, and created ‘a systemic placelessness’. Some scholars introduced localism as a means to deal with the economic, social, and environmental destructiveness of the dominant industrial model (Henderson 1998). This led some to call local actors to engage in ‘face-to-face ties’ (Hinrichs 2000) and foster social bonds; generate alternative ways to link their product with consumers by opening a physical and mental space to challenge agro-industrialism (Hendrickson and Heffernan 2002). From this perspective, localism is understood in the literature as a way to improve rural development through short food supply chains that allow farmers to reach the end of the chain (Renting, Marsden and Banks 2003). In addition, some authors have declared that localism has become an increasingly visible structure of resistance and counter-pressure to global agro-food systems (Feagan 2007).

Due to their explicit reference to place, GIs are perceived as an effective policy to cope with the continual pressure of economies of scale in the production of standardized and simplified products (Barham 2003) as a key part of efforts to promote ‘repeasantization’ (Van der Ploeg and Renting 2000), ‘relocalization’ (Feagan 2007; Fonte 2008; Hendrickson and Heffernan 2002; Qazi and Selfa 2005), or ‘regionalization’ (Hinrichs 2012; Prokkola 2011). As a result, authors promote GIs both as a quality standard and a marketing tool to open alternative supply chains and escape from big retailers or corporations (Bramley and Kirsten 2007), and as an effective general policy to cope with trade liberalization (Suh and MacPherson 2007). Some argue that they offer a unique

positioning opportunity to capture high levels of added value, and contribute to the fair distribution of benefits of the decommodification process (Galtier, Belletti and Marescotti 2008).

Barham (2003:129) explains that since GIs are a unique form of intellectual property that are related to place or territory, they are a type of “collective property”. She also argues that they are potential candidates for acting as “platforms for resource use negotiation” for the regulation of collective forms of property (Barham 2003:130). In this way, GIs create a set of property rights and establish boundaries of acceptable behavior (Guthman 2007). Rangnekar (2011:2047) claims that GIs are “less of a private property,” and more of a “limited common property” that are negotiated as “commons amongst the members of a group but exclusively vis-a-vis the outside world.” GIs are considered by some authors (Thiedig and Sylvander 2000, Bramley and Kirsten 2007) as ‘club goods’ in that they exhibit the characteristic of collective monopoly based on membership and exclusion (barriers to entry). Barriers to entry are introduced or removed through particular definitions of who can make a particular product, where the product is to be made, and what ingredients and techniques are to be used (Rangnekar 2011). This is why analyses of the legitimating processes are crucial in understanding how such systems can actually work. This section focuses on two contexts of the legitimating process: 1) the role of GIs in bordering territorial competition, 2) the role of GIs in bordering grassroots rents that are recognized, claimed, created and appropriated by local actors.

1.2.1 The role of GIs in establishing the borders of territorial competition

Territorial competition has been on the rise worldwide, as localities become increasingly more interested in GIs as a marketing tool, either to attract people or companies, or to keep the rent derived from local products in the region (Mettepenningen et al. 2012). Thus GIs may be viewed as a localism strategy offered by the global marketplace, which protects

certain places but not others (DuPuis and Goodman 2005). Localism can be seen both as a defense against the de-valorization processes associated with globalism, and a marketing strategy globalism provides to retain added value within the local region, which would otherwise go to extra-local producers (Guthman 2007). Local cultures are gradually being appropriated within a particular definition of scale and circulation of capital, and this fosters territorial competition between regions (Harvey 2001:403). The importance of understanding globalism as a phenomenon where local actors use cultural differences more and more as a vital element of their product differentiation strategies has never been so apparent.

Globalization indeed opens a new space for livelihood strategies within which localities, cultures, traditions, and identities become more marked, reinvented, fragmented in the market (De Haan 2000:357). Harvey (2001:403) argues that globalism is about “geographically articulated patterning of global capitalist activities and relations” instead of an “undifferentiated unity.” There are two different views about globalization in the literature: to some, it is “an increased homogenization and interdependency all over the world in cultural, social and economic dimensions,” while for others, it is “a close association between the global and the local,” which is known as glocalization (De Han 2000: 354). De Haan (2000) considers these two views in depth, and argues that globalization brings with it two important consequences for livelihood strategies. Accordingly, livelihood strategies (fields of action) are increasingly multiple and multi-local, and the importance of national levels of scale are losing ground as the highest levels of scale become more and more prominent:

“With respect to territoriality, therefore, globalization is a qualitatively new step. Through globalization, national boundaries vanish, but local systems, or regions, remain, although without clear-cut physical or

administrative boundaries. Those local systems (or regions) will become fully fledged parts of a global system instead of hierarchically subordinated sub-units” (De Haan 2000: 357).

The ability of local actors to extract rent from local resources is enhanced or curtailed through their connections to larger social, cultural, political, and economic entities. These ties are “horizontal lines” rather than the “vertical lines” that form the hierarchical organization of the national system (De Haan 2000: 356). Feagan (2007:30) indicates that the nation state is no longer a naturalized container, since ‘the place’ and ‘the local’ have been reformulated as new social and political arrangements.

The paradigm shift from modernism to post-modernism also played an important role in the re-formulation of place. In the modernist discourse, the nation state is perceived as a “utilitarian, rational, democratic, and progressive” entity, where “the concept of place was largely disappeared,” and the local was “dismissed in the search for the universal and the general” (Feagan 2007:30). Moreover, traditional characteristics of place, people, and community are devalued as ‘irrational’, ‘inefficient’ and ‘unproductive’. Conversely, in the context of the sustainable prosperity discourse and fear of environmental degradation, locals and their place-specific natural resources (ecosystems) become an important site for livelihood strategies (De Haan 2000:353).

To question regional vulnerabilities when certain rural livelihood strategies are implemented, De Haan (2000) uses the concept of ‘nested hierarchy’ to reflect the difficulties in sustaining prosperity at the individual level, unless these strategies are organized and applied in the region as a whole—the prosperity of a terraced field, for instance, works as a land management practice only when it is a regional policy. In this sense, he argues that for natural resource exploitation to be sustainable, it must be suited to regional conditions (agro-ecological zone or river basin).

Yet some authors argue that the place is always at the behest of capital (Feagan 2007). There is an increasing trend towards the configuration of certified spaces, for instance what Mutersbaugh (2005b) calls “just-in-space,” which is one of the many emerging forms of neoliberal governmentality (391) where production and consumption dynamics are governed and contested by focusing on the spatiality of labor, and the location of the product (389). When certified, these spaces transform into a terrain of social action in both negotiation and conflict with other actors involved in the supply chains of the products. Consequently, these certification processes may be thought of as “a semi-public space that extends beyond intra-firm and inter-firm spaces,” (390) and a space of struggle that demands “a public sphere within the private economy” (397). There are many actors within this private economy:

“...quality certification binds together distinct spheres of private regulation that include certifying agencies (e.g., Organic Crop Improvement Association), product standards groups (e.g., International Farm Organic Agriculture Movement, IFOAM), and buyers under the aegis of transnational regulatory institutions and norms (such as the Geneva-based ISO’s guide 65 and 68 certification norms)” (Mutersbaugh 2005b: 391).

This semi-public space increases the role of transnational neoliberal institutions, as individual nations progressively face difficulties in protecting global environments and enforcing labor rights beyond their borders (Mutersbaugh 2005a:396). Meanwhile, it is difficult for social activists to pressurize national governments further and advocate for policy changes related to ethical and social accountability standards, despite the fact that these demands are driven by growing consumer concerns regarding food safety and nutrition. Certified spaces reveal a new aspect of neoliberal regulation, which Guthman

(2007) calls ‘devolution’. In this context, voluntary label standards are governed by a complex semi-public space (governance), extend property rights (privatization), establish scarcity (enclosure), reward ethical practices (valuation), and most importantly, devolve regulatory responsibility to consumers (devolution) (Guthman 2007:457).

Guthman (2007) further elaborates the devolution aspect of neoliberalism, and points out that the potential of voluntary standards is based on an idealized mechanism in which the fair distribution of added value is enforced through consumers’ wage. Based on this ideal, she argues that these voluntary labels reinforce advanced liberalism, where governance is imposed not via society but through the regulated choices of individual citizens (Guthman 2007:472). This raises critical questions about the possibilities of fostering benefits for all actors living in rural areas through GIs, for although GIs may help a few losers in the global economy, they do not prevent dominant actors from imposing agro-industrial models through standardization and economies of scale (Guthman 2007).

1.2.2 The role of GIs in establishing the borders of grassroots rents

A GI is a type of collective monopoly through which quality is defined and barriers to entry are imposed on production by a collective group of local actors. Accordingly, this collective group maintains the benefits of a ‘differential rent’ (Harvey 1982) or ‘monopoly rent’ (Perrier-Cornet, 1990), which is likely to increase the price of the commodity that they differentiate from (Moran 1993). As defined by Harvey (2001:395), monopoly rents emerge when there is exclusive control over a tradable item that is unique and non-replicable in certain crucial aspects. The link between product quality and its area of origin allows the creation of two types of monopoly rents: one from product quality, and the other from the product’s place of origin (Pacciani et al. 2001:4).

Bramley and Kirsten (2007:84) highlight two key valorization strategies in GI protection, especially in relation to rent extraction. The first is the “product reputation

strategy,” which aims to appropriate and remunerate specific local assets used in the production process; and the second, “territorial quality strategy,” aims to create indirect benefits for all actors within the region by stabilizing economic and social activities that may contribute to the local economy as a whole (Bramley and Kirsten 2007: 84). Any opportunity to exploit this collective rent by a plurality of actors—without individual appropriation—is strictly tied to the capacity of local actors to create institutional processes that will regulate GI protection (Pacciani et al. 2001:4).

In order to describe a setting conducive to such efforts, Neilson (2007) introduces the term “institutional thickness” to define an appropriate institutional environment that is composed of inter-institutional interaction, collective representation, collective action, and shared cultural norms and values (193). The institutional environment is itself a vital instrument in transforming added value to economic rent, and in protecting and governing territorial quality through grades, standards, and certification. The certification process is indeed a critical site of power relations, and becomes a terrain of social action for grassroots rent-seeking, by monopolizing a unique local administration that is run by both indigenous and professional members (Mutersbaugh 2005a:2048).

Coombe and Aylwin (2011) outline a framework of the conditions where GIs become more vital to capture monopoly rents that are related to “the international trade politics, state export, developmental objectives, spaces of community hope and the desires for greater economic autonomy and cultural recognition” (2027). They argue that GIs are designed to secure monopoly rents on the one hand, and to maintain the social reproduction of a certain uniqueness of place on the other:

“Harnesses by states, industries, and civil society organizations looking to bolster niche-market sales, hope is ideally a resource to link consumers’ desires to engage in more ethical and discerning consumer

practices with the desires of states for greater foreign capital, and the desire of producers to achieve improved livelihoods by marketing goods that capitalize upon local resources, express social values, and project cultural identities” (Coombe and Aylwin 2011:2039).

In a related vein, Guthman (2002) argues that meaning systems play a great role in value creation and distribution: “Meanings are translated and distributed as surplus value and rent,” and “...surplus and rent value are translated into meanings” (295). Accordingly, signs, labels, and certification and verification forms are the basis of “differential rents” through which producers extract added value via certain “politics of consumption” (Guthman 2002:305-307). In the case of organic foods, for instance, economic rent is based on a label that defines the term organic by describing materials and production techniques—said to be more difficult and expensive than industrial farming—so “the legal right to market produce as organic has become a form of economic rent itself, which is reflected in higher prices” (Buck, Getz and Guthman 1997:6). In the case of the GI label, economic rent is based on access to a specific terrain that is associated with distinctive characteristics. Since land is a scarce means of production, the scarcity of certified land works as a formidable barrier to entry and a ground rent (Guthman 2007). However, meaning and aesthetics (cognitive aspects of taste) also contribute to the formation of monopoly rents by establishing certain “desirable and undesirable behaviors” (Guthman 2004:512-516).

Harvey (2001) argues that competing discourses on the uniqueness of a product and related strategies are in the pursuit not only of profit, but also monopoly rents. By focusing on the example of the wine trade, he argues that different discourses come to the fore for monopoly claims such as terroir, tradition, flavor or nostalgia. Each one is used as a mode of distinction, and a discursive shift from one to another corresponds to shifting

competition strategies in the wine trade. As wine consumption commoditized along the standardized lines, for instance, the language of tradition was replaced by the language of aroma and flavor, or nostalgia became the main distinguishing factor when there was no reputation effect through tradition or flavor (Harvey 2001). Consequently, local actors increasingly employ local values as a mode of distinction in establishing monopoly claims:

“The wine trade is about money and profit but it is also about culture in all of its senses (from the culture of the product to the cultural practices that surround its consumption and the cultural capital that can evolve alongside among both producers and consumers). The perpetual search for monopoly rents entails seeking out criteria of speciality, uniqueness, originality and authenticity in each of these realms. If uniqueness cannot be established by appeal to ‘terroir’ and tradition, or by straight description of flavour, then other modes of distinction must be invoked to establish monopoly claims and discourses devised to guarantee the truth of those claims...” (Harvey 2001:401).

While local actors employ such strategies to generate rents, means of accessing these rents in the global arena are often determined by extra local actors and imposed on producers at the local scale. According to Mutersbaugh (2005a), globalized certification standards constitute a policy rent, and farmers extract these policy rents either by gaining access to barriers to entry (outside the local network) or creating innovation rents (within a local network). Access to either type of rent is determined by local actors’ organizational or administrative capacity (Mutersbaugh 2005a:2040), and this ‘rent-seeking capacity’ (Kaplinsky 2004) is reinforced through various different conditions. Mutersbaugh (2005a:2042), for instance, attempted to identify these conditions via two kinds of rent:

“human resource rent” (loans, self-financing, grants, financing assistance, and welfare programs from local bodies), and “relational/networking rents” (horizontal cooperation with unions, and vertical cooperation with other network actors). This thesis identifies and illustrates the conditions for such rent-seeking capacities in GI protection, by focusing on two key types of rents—policy and resource rents.

In a GI protection setting, policy rents indicate the options local actors decide to choose in a given GI project, while resource rents refer to specific product characteristics that result from the partial and discontinuous industrialization of agriculture. Analysis of these two key terms is important in order to be able to answer these questions: 1) Are the alternative standards able to challenge global corporate standards in competitive settings, or are they modified and harmonized with commercial standards in certain ways? 2) Do the alternative standards strengthen only individual cases, or do they generate wider socioeconomic consequences for all actors living in rural areas?

These are worthwhile questions to ask, for a number of reasons. In terms of the first question, as Mutersbaugh (2005a) also notes, global standards are increasingly becoming harmonized in terms of language, organizational structure, consolidation, and the loss of alternatives. One practical outcome of this trend is that rent relations are shifting in favor of certain actors at the expense of others, reducing their ability to negotiate exceptions or afford the cost of accessing these rents. In addition, rent-related benefits are often spent to overcome the barriers to entry (Mutersbaugh 2005a:2040). The second question must also be asked, because most studies on GIs primarily focus on the agency problem of producer networks, rather than the general consequences of this process for the wider socioeconomic and territorial context in which they operate (Moragues-Faus and Sonnino 2012). Therefore, identifying both the specific governance mechanisms that strengthen individual cases, and the general governance mechanism that produces different levels of

potential for different product groups, is absolutely crucial.

It is against this background that this thesis will set out to analyze the various ways local actors cope with the agro-industrial paradigm and its homogenizing effect through GIs. Understanding which of the options the local actors chose in the design and maintenance of production conditions in a GI protection setting reveals the significance of disarticulation and articulation processes that empower rural producers in a globalizing world. Consequently, this study will compare different GI projects to analyze not only the conditions that strengthen individual cases, but also the conditions of an alternative scheme that reduces local actors' dependence on the agro-industry.

1.3 Conclusion: The structure of the thesis

Although the legal definition of GI may be found in the TRIPS Agreement, it has been interpreted differently, and adopted with different implementations in countries that do not have long traditions of GI labeling (Ilbert and Petit 2009; Vivas-Eugui 2001). This thesis will set out to provide empirical evidence on this matter in a specific area in Turkey, and show how different actors negotiate the GI definition through various articulations of “a given quality, reputation, or other characteristic of the good is essentially attributable to its geographical origin” (TRIPS 1994). By assuming an ontological separation between human and non-human factors, the thesis will also illustrate how a particular GI is initially recognized, imagined, and designed by relevant local actors and national institutions in Turkey. The GI issue is closely tied to agricultural policies that have been effective in setting the global rules of competition for the localization of distinctive qualities, a point that will be frequently revisited throughout the thesis.

The second chapter will present a theoretical overview of the revitalization of interest in place as localism. The main approaches to understanding how GIs challenge conventional agricultural systems due to their explicit reference to place or territory (Barham 2003) will

be identified, and both ideal ('normative localism'/'unreflexive localism') and political ('reflexive') articulations of the local (DuPuis and Goodman 2005) that call for the defense of place will be discussed. The disarticulation approaches of global commodity chain analysis and agro-exceptionalism will be introduced as crucial methodologies in analyzing the potentials of GIs in resisting the placeless agro-industrial paradigm. A discussion on how voluntary origin labeling has become a site of neoliberal action that protects certain producers through value capture (Guthman 2009) will follow. The chapter will conclude with a discussion of whether GIs and the accompanying place-based social movements have a positive effect on rural livelihoods. It will argue that this is an empirical question (Rangnekar 2011) and the potential of GIs is based on a combination of policy and resource rents disarticulated from the agro-business appropriation and substitution.

The third chapter will describe an empirical pilot study that reveals a number of major differences between rent generating activities, and mentalities articulated in the design and implementation of the GI projects. Findings from a comparative case study on Aegean olive oil GIs (*Edremit Gulf, South Aegean, and Ayvalik*) and the *Aegean Cotton* GI in Western Turkey will be presented. The study involved 25 in-depth interviews that were administered in efforts formulate and conceptualize policy and resource rents by comparing three different olive oil GIs and one cotton GI. Global commodity chain analysis is used first to explain the varied impact of the three Aegean olive oil GIs on the basis of policy rents negotiated by local actors in the design of these three GI chains, and then the varying effects of cotton and olive oil chains on the basis of resource rents. These analyses reveal that GIs can be a way to sustain the viability of rural environment and livelihoods, only through the combination of policy and resource rents that challenge the logic of agro-business.

The fourth chapter presents the research analysis methodologies employed in the main fieldwork, which compares two Aegean olive oil GIs: namely, the *Edremit Gulf Region Olive Oil GI*, and the *Ayvalik Region Olive Oil GI*. The reasons for selecting these two GI chains for case studies and the research setting will be discussed at length. A brief overview of the global commodity chain approach to data analysis is followed by details of data collection, organization, coding, and analysis. Both qualitative and quantitative methods were used in the study; 16 key informant interviews (semi-structured), 40 in-depth interviews (semi-structured), and 150 survey interviews (structured) were administered. Finally, sample characteristics will be outlined, and possible limitations and issues about the design of this sample will be highlighted.

The fifth chapter will provide a detailed analysis to illustrate that the potential of GIs in resisting agro-business appropriation fully depends on which governance forms that local producers negotiate in the GI design process. A comparative analysis between the *Edremit Gulf Region GI* and the *Ayvalik GI* will focus on how the locals perceive the diversity and uniqueness of their product and production techniques. The extent to which producers are willing to either protect traditional know-how or industrialize production with homogenous industrial techniques will also be examined. The primary aim of this chapter is to show how ontology (separation of human and non-human factors) matters in developing egalitarian or exploitative alternatives (the distribution of added value along the chain) in a particular commodity chain, and the collective action among chain actors (distribution of power along the chain).

The sixth chapter will look at how local actors make sense of different industrialization rates (appropriation/substitution), and the potential of GIs systems, to make their products more resistant to the logic of agro-business. In this chapter, it will be argued that placeless agriculture makes quality/reputation the single alternative resource rent for the whole

region of Gulf of Edremit. The disadvantage of the region in terms of high production costs due to land characteristics will be identified as the main factor delinking them from conventional olive oil commodity chains. Yet, certain dynamic rent opportunities in terms of features such as territorial quality and culture will be identified as the main factors linking the region and producers to the GI chains. In particular, it will be shown that the harmonization of global standards—implemented in the conventional olive oil supply chain through the ban of white can trade and the introduction of hammer mills—leads to the proliferation of local brands on the one hand, and the consolidation of major brands on the other. Finally, some forms of rents and barriers to entry set by parties external to the chain will be examined to underline how local actors can gain or lose from such rent-seeking activities. The seventh and final chapter will offer a general conclusion.