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Argentina, Brazil, and the Spanish experience  
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**Agri-food geographical indications, policies, and social management: Argentina, Brazil, and the Spanish experience in the European context.**

This article examines the reference framework and institutional context of Geographical Indications (GI) and Spain's Social Management within the European Union. The cases of Brazil and Argentina are then analyzed, providing a comparative study. The emphasis is on identity and territorial development, in which family farming has a central role. Thereafter, the design and implementation of public policies strengthening the preparation of concrete agendas and measures in the light of the Spanish and European experience are put into perspective. In both the Brazilian and Argentine cases, findings point to the need for an adjustment in public policies in order to better identify and program actions and goals.

Keywords: geographical indications; social management; Argentina; Brazil; Spain.

**Denominações territoriais agroalimentares, políticas e gestão social: Argentina, Brasil e a experiência espanhola no contexto europeu.**

O artigo examina o quadro de referência e o contexto institucional das Denominações Territoriais (DT) e da Gestão Social em Espanha, no contexto da União Europeia. Em seguida, visando um estudo comparado, analisam-se os casos da Argentina e do Brasil. A ênfase é colocada na identidade e desenvolvimento territorial, no qual a agricultura familiar tem papel central. A partir daí, perspectiva-se o desenho e a implementação de políticas públicas que fortaleçam a elaboração de agendas e medidas concretas à luz da experiência espanhola e europeia. Tanto no caso argentino como no brasileiro, as conclusões apontam para a necessidade de um ajuste nas políticas públicas para melhor situar e programar ações e objetivos.

Palavras-chave: indicação geográfica; gestão social; Argentina; Brasil; Espanha.

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INTRODUCTION

In the first decade of this century Argentina and Brazil reaffirmed their presence among the largest agricultural producers and exporters in the world. This is the main segment of both countries in international trade, with geostrategic implications, since they are the main countries in the world that can increase the production of both food and agro-energy, a renewable resource by definition in which biodiesel and ethanol stand out. In the case of BRIC (Brazil, Russia, India and China), Brazil is the only major net exporter of agricultural products. Argentina shares this condition, which gives a very special characteristic to the productive fabric of the two countries in the global context.

The present article provides a review to enable and strengthen policies that have been developed/implemented in Argentina and Brazil, highlighting the Geographical Indications (GI) as a form of integration of family farming and implemented by social management, combined with the territorial and local development. This is developed after presenting the reference situation of the regulatory framework of current practices in the European Union, with emphasis on the Spanish experience, in view of the GI and social management

1 The present paper is part of the study activities of the IPEA/CAPES Development Chairs entitled "Regional Integration, Innovation and Internationalization: Subsidies for Policies in the MERCOSUR". A preliminary version was presented at the VII Interdisciplinary Congress for Agrarian and Agro-industrial Studies held at the University of Buenos Aires from November 1 to November 4, 2011. I wish to thank the Carolina Foundation (Spain) for the period of research performed at the University of Seville from December 2010 to February 2011.

as a way of scaling up development and territorial identity, in which family farming has a role.

In this perspective, the relationship with sustainability is also inherent in the process to the extent that its consolidation is only possible if based on lasting projects that do not rely on the environment as a large hunting or grazing opportunity, such as for the extraction of wood or cattle raising when these activities destroy forests and biodiversity. One cannot even contemplate obtaining certifications, records, and/or tracking because competitiveness is based on poor labor relations, environmental deficit, and crimes against the environment, featuring what some authors call spurious competitiveness (Coutinho and Ferraz, 1994). The same authors exemplify this idea through the cattle industry in Brazil, highlighting a heterogeneity that even includes clandestine slaughters. This situation implies that the country, which has the largest commercial herd in the world, has lower profitability than the United States.

Reference to Brazil and, occasionally, Argentina, is primarily due to some unique shared structural features, especially the fact that both are large (fifth and eighth country in size, respectively, and which added together, are exceeded only by Russia); have high biodiversity; are large producers and exporters of agricultural goods, possessing vast sparsely populated regions with abundant natural resources (mostly water), such as Amazon and Patagonia. Another important aspect relates to Latin America – countries with indigenous peoples stemming from various backgrounds who brought an intangible asset that mixed and, despite the socio-economic inequalities, have a strong identity that must be considered.

There is also a fundamental issue related to the ongoing process from the Falklands War (1982), when Argentina and Brazil set aside historic rivalries and began an integration project, whose first document, the Declaration of Foz do Iguaçu (1985), pointed to the construction of the MERCOSUL, embodied in the Treaty of Asunción (1991) along with the participation of Paraguay and Uruguay. We understand that for geopolitical reasons Argentina and Brazil should play a role similar to that of Germany and France in the construction of the European Union. It is about formulating and implementing policies agreed with shared rules seeking a common market and regional integration.

These singularities are not only related to the existence of large tracts of arable land (in the case of Brazil, the world's largest), but also with efforts in research and development. In Brazil these efforts come about through the Brazilian Agricultural Research Corporation (EMBRAPA), some public universities, and modern agribusiness (Teixeira and Guedes, 2009). Since the second half of the last century the growth in exports, production, and productivity has resulted

from the viability of new products (especially soybeans, orange juice, and meat) and the expanding agricultural boundaries, none of which was technically or economically feasible before exploiting (mainly) the *Cerrado* (savannah), the second largest Brazilian biome among six, smaller only than the Amazon). In the case of Argentina, the National Institute of Agricultural Technology (INTA) and the same constellation of some public universities have played a similar role.

The problematic and limited side of this expansion is that it is mostly focused on the production of *commodities*, generating narrow spaces in the dynamism of economic development and improving social markers. In 2009, agribusiness accounted for 42.5% of Brazilian exports (Ministry of Agriculture and Supply, 2010). With noted exceptions, the profile of Brazilian exports (and even more so in the case of Argentina) suffers from a weakness marked by the majority presence of low technological contents *commodities* (of agricultural, mineral, and industrial nature), without brands or differentiation of products, in which the value stems from raw material, energy, and/or cheap labor. Moreover, this is where most socio-environmental problems that have increasingly challenged the effectiveness of public land management policies in both countries derive from.

The type of enterprise that organizes agri-food commodities is the large agribusiness. Small and medium-size farmers, more specifically family farming, are left with no space to compete with large agribusiness because they have no scale, thus lacking basic conditions to thrive in this setting. By producing *commodities*, they are left with a marginal position in the markets or a condition to integrate subordinately as a supplier of inputs.

An analysis of Agricultural Census outcomes (IBGE, 2009) provides a view in aggregate terms of family farming's share and its relative weight in the Brazilian agricultural production: 87% of manioc, 70% of beans, 59% of swine, 58% of milk, 50% of poultry, 46% of corn, 38% of coffee, 34% of rice, 30% of bovine, and 21% of wheat. Regarding the land tenure structure, the Agricultural Census identified 4,367,902 family farming establishments, representing 84.4% of Brazilian establishments. The number of family farmers covers an area of 80.25 million hectares, or 24.3% of the area occupied by agricultural establishments. However, results show an agrarian structure that is still concentrated: non-family businesses represent 15.6% of the total and occupy 75.7% of the productive area. The average size of family and non-family establishments in 2009 was 18.37 hectares and 309.18 hectares, respectively (IBGE, 2009).

The activity of small family farmers in Brazil is recognized under the Family Farming Law n.º 11326 of 2006 and was developed from discussions in forums and mobilizations. Its production in Brazil has a stake of 38% in gross value

generated in agriculture, representing a larger share than in Argentina, which has 66% of agricultural holdings and 20% of the total agricultural production within family farming (Obschatko, 2007). Still, family production in Argentina provides the largest part of the production of fruits and vegetables, 82% of goats herds, 64% of swine, 25% of sheep, and 33% of dairy farming (REAF, 2010)<sup>2</sup>.

According to Marcelo Pérez Centeno<sup>3</sup>, the creation of the *Pro Huerta* and its implementation within INTA and the Ministry of Social Development of the Nation has been a search for alternatives to the adjustments and problems stemming from the 1990s, when emphasizing food safety and sovereignty and fostering the organization of the most vulnerable sectors of the population. Discussions on the place of family economy in Argentina has been gaining ground since 2000 and, in this process, 2008 marked a turning point, when policies for family farming started gaining more emphasis. Indeed, Marcelo Centeno highlighted advances in the normative framework of all Latin American countries.

To achieve a greater dynamism, family farming should specialize in specific products anchored in the territory, where a large company cannot compete, given the nature of the enterprise. It is therefore important to promote a virtuous circle that, in order to be established, depends on a concerted effort on several fronts and is directed to a culture of innovation that values work and the territory, opening new possibilities in generating wealth and decent work. One of the most important of such fronts is Geographic Indications (GI)<sup>4</sup>, which favor this strategy because they are directly related to tangible characteristics linked to the territory: soil, topography, climate, as well as the knowledge of intangible cultural heritage that should be preserved, disseminated, and surveyed and that generate wealth for the citizens living and working there. This contrasts with the delocalized knowledge of the large agribusiness; with monocultures, scale economies, and logistics that have been

2 A series of information about family farming in the MERCOSUR can be obtained at [www.reafmercotur.org](http://www.reafmercotur.org) Reunión Especializada sobre Agricultura Familiar en el MERCOSUR. For a characterization of the transformations and context in rural areas of Argentina, see Cimadevilla and Carniglia (2009).

3 Marcelo Pérez Centeno is an Agronomist at INTA and Director of IPAF Patagonia – Instituto de Investigación y Desarrollo Tecnológico para la Pequeña Agricultura Familiar – Región Patagonia. I am grateful for the interview and information provided at IPAF headquarters in Plottier, Neuquén Province, on January 9<sup>th</sup>, 2012.

4 In the present article we use the generic name “Territorial Designations” instead of “Geographical Indications” (more frequently used in Argentina and Brazil), in order to avoid doubts regarding PGI (Protected Geographical Indications), which are not precisely the first territorial designations established in the European Union or the best known, as is the case of Denominations of Origin.

redefined by information and communication technologies, thus opening new paths through the fragmentation of supply chains and new integration forms (Guedes and Rosário, 2005).

But tradition is not incompatible with progress, and science should not serve only the logic of large capital blocs. It is about seeking ways to “de-commoditize” the production of family farming and create alternative spaces for integration through the GI in the organization of farming and food goods and services producers based on quality and origin, not subject to large agribusiness production chains. In that way, one can enable quality production by creating spaces, including the preservation of biomes suited to most forms of production valued in the market, such as the pampas and differentiated farming methods existing there (Champedrone *et al.*, 2008).

Another turning point of GI is protecting producers against harmful and opportunistic competitive conduct in the misuse of the product's name (including overseas) giving reliable information as to origin and quality. When the process is properly conducted, there is a spillover effect of the positive aspects that goes beyond producers in that it enhances the socioeconomic development of the territory, with gains in the valuation of cultural heritage and tourist activities. And what has social management to do with it? These are processes in which management action is developed through negotiated interaction between social stakeholders, losing the technobureaucratic character due to the direct relationship between management and participation, which allows the use of differentiated and multiple organizational schemes (Tenório, 2007). The greatest gain may lie exactly there, in the social management process resulting from the work in the construction of GI. The line of development and action to achieve registration adapts very well to the principles of social management, and it should be emphasized that in the case of Brazil one of the statutory requirements for initiating the process at the National Institute of Industrial Property (INPI) is that the request for registration is made by an association of producers.

The domestic market in Argentina and Brazil has shown an increasing demand for products of differentiated quality – and this demand is being met by imports – as is the case of French jam and Italian coffee blends. It is a great challenge for family farming, because it is not enough to just produce more or something different, but a good product presentation and the fulfillment of certain quality standards are also required. In other words, the required innovation is in the way of producing and selling, involving the product, process and management forms. In addition to the highest standards achieved by producers, the maintenance of public policies as carried out by the EU through the Common Agricultural Policy (CAP) and its unfolding is required.

The understanding and review of the European Union experience can be useful for the creation of supranational structures and institutionalities, as well as in specific areas, provided that they are in context, as is the case with GI, in which the EU has a rich historical experience. Why not think, for example, about the possibility of internationally-prepared GI, such as the “Brazil Nut”, which is actually from the Amazon rainforest and is under threat, with its incidence reduced to the state of Acre, northern Bolivia, and Suriname? Or some types of *yerba mate*, much consumed in the Southern Cone subcontinent? The biomes are the same and the areas close. In 2007, Coca-Cola bought the great tea and *mate* segment leader, a century-old family business, well known in Brazil, namely, Mate Leão, as it has been buying companies that produce fruit juice and mineral water for the past decade. This is another form of integration, led by large companies in their mergers and acquisitions process.

The research was based on comparative analysis from documental sources (legislation, statistics, scientific studies, and consultation of institutional websites). The present article has three more sections: in the second part we present the more general framework of GI in the European and Spanish context, its importance and pending problems that characterize its dynamics; in the third part we describe the institutional context and the situation prevailing in Argentina and Brazil, critically reflecting on some points in the design of public policies that have been implemented, and suggesting adjustments. In part four we offer some final comments.

#### THE SPANISH EXPERIENCE IN THE CONTEXT OF THE EUROPEAN UNION

Preceded by the formation of the European Coal and Steel Community (1951), the Treaty of Rome (1957) created the European Economic Community, the starting point of the European Union. One of its original pillars is the CAP, one of the most important common policies implemented by the European Union. To understand the rooting and scope of the CAP, it is necessary to contextualize the very peculiar socio-economic context of Europe in the aftermath of the Second World War, experiencing reconstruction and shortages, with a population still largely rural and, from the geopolitical standpoint, living a peripheralization process before the polarization of the Cold War. Two decades later, due to the success of CAP, the situation is reversed, with a food production surplus, implying new issues and changes in CAP's agenda.

In this new framework, a critical aspect of change is that an increasing liberalization of international trade of agricultural products occurred according to the Marrakesh Agreement (1993), which finalized the Uruguay Round of the



former GATT (General Agreement on Tariffs and Trade), transformed in 1995 into WTO (World Trade Organization). This caused a shift in the EU's agricultural policy, contained in the McSharry Reform of 1992, which had among its guidelines "Monitoring Measures", in which it was possible to find support for geographically-differentiated agricultural products. In the framework of the growing agri-food trade liberalization, the Denominations of Origin (DO) and the Protected Geographical Indications (PGI) were used to justify the maintenance of CAP's assistance as a way of supporting family farming, essential to the European agricultural model, which in turn was considered as one of the most genuine expressions of a social model. Subsequently, the root of the so-called Intermediate Reform (2003), Axis 1 (improving competitiveness and quality) of Regulation 1698/2005 of the Rural Development, was incorporated into the support for food geographical differentiation.

In this first decade of the century CAP's participation in the European Union's budget was close to 45%. How to justify to taxpayers and citizens the budget's commitment in maintaining the CAP? The changes occurring in European agriculture after the Treaty of Rome led to the emergence of new issues, such as consideration of its role in the social/territorial fabric, also starting to account for issues such as the preservation of landscape and the environment.

On January 1, 1986, Spain and Portugal joined the (then) European Community composed of twelve member states. Since then the Iberian states share this new institutional space in a supranational governance sphere existing in the European economic integration project. In 1992, with the Maastricht Treaty, a new level was created and the integration process explicitly undertook its political nature, expressed in the change of the designation of the European Community to European Union and the assumption of more ambitious goals, whose most visible trait was the Euro, the single currency, introduced as money of account on January 1, 1999 and as currency from January 1, 2002.

Joining the EU meant, among other things, a major effort to align to the new conditions prevailing under the competition standards of agriculture in the European Community. However, it should be recalled that before its incorporation into CAP policies, Spain and Portugal already had a very important background for the wine-related Denomination of Origin, exactly the most recognized in international markets. There was a hike in levels of competitiveness, as well as effort seeking harmony with the emerging changes. This was the case of certification systems.

Besides the long tradition of certification systems, another hallmark of the Spanish case is the interlacement of legislation, proposals, and protection figures stemming from the European Union, the Spanish State, and the 17 autonomous communities (sub-national units, such as the Brazilian States). That is,

in this respect there is some noise in terms of duties, which refers to the legal framework of the European Union where, for some subjects, there are simultaneous responsibilities and distinct institutionalities within the same space. The complexity of this discussion refers to the “subsidiarity principle”<sup>5</sup>, which has to do with the various decision-making and responsibility levels in the European Union.

The first policy on GI in the European Union occurred in 1992 through Regulation 2081/92 of the European Council, which ordered the meaning of community Geographical Indications and Denominations of Origin. There is a question of substance which believes that production, manufacture, and distribution of food and agricultural products play an important role in the economy of the community.

The three differentiated quality seals recognized by the European Union were then defined as follows: Protected Designation of Origin (PDO), Protected Geographical Indication (PGI), and Traditional Speciality Guaranteed (TSG). However, the EU also recognized ecological or biological production with a differentiated quality seal, also introduced in 1992. A separate system was created for wines with the general denomination per country which has developed/adapted its own quality figures that community legislation called VCPRD (acronym in Castilian) – Quality Wines Produced in a Demarcated Region. Legislation established a set of common rules only for the production of these wines.

In Spain, according to Law 24/200, referring to vines and grapes, the distinction of quality wines with geographical indication, designation of origin, qualified designation of origin and “*vinos de pago*” were established. Except those characterized as VCPRD, the legislation allowed the use of geographical names for some table wines, in the Spanish case, “*Vinos de la tierra*”.

In 1994, the then Ministry of Agriculture, Livestock, and Food (MAPA) of Spain ratified the current designations of Spanish origin, adapting them to new European Union rules. With this perspective, in replacement of the earlier traditional Designations of Origin (DO) and Special Designations (DE), the Protected Designations of Origin (PDO) and Protected Geographical Indications (PGI) were adopted in Spain following European standards. The TSG, which has to do with the traditional form of development not related to a specific location, did not exist in Spain, and was adopted directly from the European legislation. Its essential condition is to be produced from traditional raw materials, present a traditional composition or production, and/or processing

5 To understand the meaning of this and other expressions related to the legal and political context of the European Union, we recommend the website of the European Union and the European Parliament.

method belonging to the production and/or traditional processing type. In addition to these certifications, there are a variety of quality designations and brand names of autonomic character, with names like “quality assurance seal”, “Collective assurance seal”, “food quality seal”, “Registered and certified”, “Q seal” and a few other lesser known marks.

In March 2006, the current Regulation 510/2006 of the Council on the protection of geographical indications and designations of origin for food and agricultural products which established the definitions for PDO and PGI (which did not apply to wine and spirits) was defined, which are set as follows:

**PDO** The name of a region, a specific place or, in exceptional cases, a country used to describe an agricultural or a food product, whose quality or characteristics are essentially or exclusively due to the geographical environment with its natural and human factors; whose production, processing, and preparation take place within the geographical area.

**PGI** The name of a region, a specific place or, in exceptional cases, a country used to describe an agricultural or food product; originating in that region, specific place, or country: that has a specific quality, reputation or other characteristic that can be attributed to such geographical origin; whose production, processing or preparation takes place within the geographical area.

Clearly, PGI is more flexible than PDO and may be established in territories far apart, even among different countries, such as the case of the *Ternera de los Pirineus Catalanes*, which is recognized as PGI in Spain and France.

In June 2008, Regulation 479/2008 established the organization of the wine market and established a new regulatory framework for the geographical names of wines, eliminating the VCPRD and incorporating the PDO and PGI. Now recognition is no longer performed by member States, but by the European Commission and the community registration procedure is applied similarly to the PDO/PGI of agri-food products.

The new regulation sought to strengthen the competitiveness of European wines, through a better balance between supply and demand, elimination of intervention measures in the markets, a greater use of budget credits, a further simplification of regulations, strengthening of the social fabric of rural areas, and protection of the environment.

Also in 2008, the Ministry of Agriculture, Food, and Environment was created, assuming the powers of the MAPA and the Ministry of Environment

and Rural and Marine Environment. Indeed, much information about the food industry can be found on its website ([www.marm.es](http://www.marm.es)), as well as details of information on standards, production, and regulations on known PDO and PGI, organized per Autonomous Community, type, and description.

As there are products related to various denominations, the development of a systemization is not simple. In addition, a number of PDO and PGI are pending ratification, which makes it difficult to know the exact number of food products currently enjoying a protection figure and their nature.

In the source cited above, there is also a publication entitled *Alimentación de España 2009*, available on the MERCASA website ([www.mercasa.es](http://www.mercasa.es)). In addition to statistical data and sectoral information, there is a good presentation by each autonomous community about food or drink backed by some kind of protection, whether state or autonomic. That is how it is possible (albeit with problems, because they are different criteria), with these two sources, to have an idea about the quality food industry in Spain.

In the European case, there is a common regulatory framework, but there are also specific standards in each country, and in the Spanish case, as noted above, the 17 autonomous communities play an important role in giving a number of certifications. Another revealing aspect of spatial logics and wine culture where it all began and remains as a historical reference and rule related to the GI is their nature, which is much more Mediterranean than European; Portugal, Spain, France, Italy, and Greece have almost all the GI of the European Union.

CAP support to the territorial differentiation of food through PDO and PGI implies an incentive for the perpetuation of a fabric of small and medium-sized farms, without excluding the large ones in some domains like viticulture, which can increase their competitiveness and contribute to territorial development where they are located. Besides adding the commercial marketing of food to the valuing of specific, unique, and unrepeatable resources in each context (know-how, geographical culture, tacit knowledge), outside of the strategy and scope of the methods used by transnational corporations competing in generic resources (land availability, permissive rules, lower wage costs), in some cases, a fabric of ancillary firms supplying inputs is generated, contributing to the retention of added value and leading to the diversification of the local production.

In some cases, the result was the generation of development proposals nearing the Marshallian model of industrial district and/or local production system (Becattini, 1962), claimed by the economic theory as a standard of geographical competitiveness and paradigm of integrated territorial development (Becattini and Rullani, 1996; Sforzi, 2008) and applied to the agri-food sector

by authors such as Lacoconi (1990 and 1993), Carbone (1992), Fanani and Montresor (1992), among others.

The need for socio-institutional coordination required for the establishment of Regulatory Councils promoting and managing GIs resulted in the emergence of a new cooperation culture, giving rise to networks and favoring the dissemination of innovations among small and medium-sized agribusiness companies. This contributed to the maturation of “social capital”, which some authors consider to be one of the basic competitive resources on which territories rely (Woolcoch, 1998). By the same token, it also favored the implementation of a new way to program development, with proposals drawn up from the base and coordination of social and institutional agents operating at the local scale (Vásques Barquero, 1999), resumed by other rural development programs such as the Leader and Proder initiatives of the European Union, aimed at economic diversification and job creation.

Despite the very positive balance in general terms, the bet of the European Union for food differentiation also revealed some dysfunctions that can restrict the elaboration of a more integrated and harmonious territorial development. From CAP's internal perspective, worth noting are: 1) the lower financial support to these programs, especially if compared with the sectoral measures included in the pricing and agricultural markets policies; 2) its discoordination with other quality improvement programs, such as the promotion of organic farming, as well as direct aid to agro-industrial food processing and its own rural development measures subsidized with Leader's funds. Internally in the territories, it remained clear that institutional support for the differentiation of food is a necessary but not sufficient condition to advance to situations of territorial development they require; furthermore, a bet decided by the commercial marketing of differentiated products and the creation of territorial brands that can compete in international markets, thus avoiding the dispersion existing in some cases, as with the indications that distinguish olive oils in Andalusia (Silva, 2005).

#### **GI IN ARGENTINA AND BRAZIL: PUBLIC POLICIES, INTEGRATION, AND SOCIAL MANAGEMENT**

In the last decades, with agro-industrial complexes' modernization, the prevailing dynamics of regional integration and productive chains has been led by large beverage and food processing industries through mergers and acquisitions processes and the purchase of inputs to small and medium producers. This is exemplified by the case of the dairy industry, in which we see that the integration process has many dimensions beyond those that meet the strategic

role and act as geopolitical vectors, such as infrastructure and energy. Thus, there is an agenda of sectoral policies for certain areas or productive chains that opens paths for different possibilities or ways of integration. We address the GI and functions that can strengthen and coordinate family farming and land valuation, always taking into account the perspective of social management.

What is being sought is the strengthening of integration processes and stakeholders that make up the broad framework of work organization and production of cooperatives and other forms of association. Thus, the subject assumes a certain transversality as it implies the valuation of output anchored in the territory as an instrument of the integration process of family farming and its associations. This aspect is not trivial, given that the integration of cooperatives poses a great challenge that is possible and necessary for the consolidation of the GI. In our analytic and regulatory perspective of conceiving the integration process, the GI and its possibilities, the importance of endogenous forces activation is decisive, but without neglecting the macro-processes and the hierarchy of powers that have under their decision sphere other scales exogenous to locations. This alert is important for us not to fall into a “single-scale” analysis tied to exaggerated localisms and endogenisms. In fact, there are multiple spatial scales that should be seen as historic and political constructions (Brandão, 2007).

It is worth remembering that the first decade of the integration process in the MERCOSUR was marked mainly by the rapid increase in trade relations between large agribusiness companies and the automotive industry, mostly with plants in Argentina and Brazil (Guedes and Chain, 2009). At the same time, there was a gap in the actions that would lead to a socially-integrated space, a critical sphere if the integration project is intended to be true, going beyond trade relations between large companies. This social participation deficit has been overcome by creating some institutional spaces for discussion and the creation of credit and financing mechanisms for the activities of social interest, such as the MERCOSUR Guarantee Fund for Micro, Small and Medium-sized Enterprises and the MERCOSUR Family Farming Fund (Martins and Silva, 2011).

In Brazil the National Program for the Strengthening of Family Farming (PRONAF), created in 1995, finances individual and collective projects, aiming to generate income in family farming and in the agrarian reform settlements. In 1999, the Ministry of Agrarian Development was created to promote sustainable development of family farming, assuming the management of PRONAF.

From the second half of the 1990s, MERCOSUR member countries began to carry out exchange activities of public policies through their public authorities

to promote rural development as they discussed a new management format to overcome the limitations of the outcomes achieved. From this perspective, some issues such as decentralization, social participation, new institutionality, multifunctionality of agriculture, and rural work, among others, were included in the guiding principles of public policies for rural development in these countries (Sepúlveda and Guimarães, 2008). In a recent publication Favareto (2010) analyzes the Brazilian experience in this first decade of the century from the regional and territorial policies, also pointing out the prospects.

In Brazil the initiatives of regional development in rural areas occurred initially with the creation of the Secretariat of Territorial Development (SDT) as the institutional component of the Ministry of Agrarian Development (MDA) and incorporation of the Sustainable Development of Rural Territories Programme (PRONAT) into the Multiannual Programme of the Government, adopting a territorial approach and its respective management methods and tools. The territorial approach thereby became the cornerstone for the rural development public policies in the country, thus building a new institutional framework to address the structural problems experienced by rural society in the territories (Sepúlveda and Guimarães, 2008).

In 2008 the Citizenship Territories Program (PTC) was created to promote rural development through policies and social investments at the territorial level, to strengthen family farming and fight against poverty.

In 2006 the *Programa Nacional de Apoyo al Desarrollo de los Territorios* (PNTER) was implemented in Argentina at the national level, with three integrated projects: “Technological and Organizational Innovation”, “Innovation in Finance and Marketing”, and “Productive and Organizational Innovation for social equity”. The purpose of PNTER is to support the development of skills of the stakeholders of the agricultural system and to strengthen the capacity of the National Institute of Agricultural Technology (INTA) in the management of intervention strategies in the territories.

What we must bear in mind is that this valuing of the territorial approach, as well as the logic of breaking with a sectoralized vision, is conceptually confluent with the implementation of GI in Argentina, Brazil, and some other Latin American countries. Not coincidentally, both topics emerge simultaneously in the second half of the 1990s, when the foundations of GI laws were laid down – 1996 in Brazil and 1999 in Argentina for wine, and 2000 for agricultural and food products.

The confluence that occurs at the level of ideas and legal formulation does not seem to meet in the implementation of policies: there is a gap there. More specifically, in the Argentine case, it would be necessary to create a form of support and dissemination of GI in the areas of PNTER from one of its lines, the



“Integrated Project for Productive and Organizational Innovation for Social Equity”. Similarly, in Brazil, the PTC has lines of action aimed at technology dissemination and boosting local productive arrangements, where GI should be present as one of the possibilities. An even more alarming issue is that the unit for the promotion and monitoring of GI in Brazil is under the responsibility of the MAPA, where there is a “Coordination Office for the Incentive of GI for Agricultural Products”, whose role is the fostering of GI and collective brands and acting in the pre- and post-registration process with technical and financial support for all the stages of its implementation.

With regard to the role of MAPA, designed in its roles for the large agribusiness, the question seems misplaced, because policies directed at strengthening family farming reside with the MDA. More than that, the organizations favored and recognized by law to forward the registration of a GI are the associations of small and medium producers. So why assign to the MAPA the work of promotion and support?

From this perspective, although there is legal conditioning for the forwarding to be done by the association of small and medium producers, there is a similarity with the Argentine case. The *Secretaría de Desarrollo Rural y Agricultura Familiar* is part of the *Ministerio de Agricultura, Ganadería y Pesca de la Nación*, which supports the governments of the Provinces to develop territory value-added strategies for their agri-food products, where GI are considered. Since 2008 there has been a program called “Valorar”, which offers support to groups of producers for the development and certification of organic products, seals of approval (“*Alimentos Argentinos, una elección natural*”), and GI.

These gaps indicate some discrepancies and there is room for a more organized and effective effort to promote the culture of certification and promotion of the work for the establishment of GI in line with the social management and broadening of its positive effects on their surroundings. This is because the positivity of a GI is directly linked to producers and the subject production chain by market mechanisms, but its effects can increase through policies adjusted in its territory. Thus, in their implementation process, social management and GI can be regarded as instruments of territorial development policies, insofar as the dialogical forms of management, central to the social management, tend to generate spaces of social and territorial cohesion.

Unlike Europe, which has a long history of experiences and differentiations in specific regions, Latin America’s approach to the subject began only in the 1990s. In Brazil and Argentina there are places where the discussion and implementation took shape: we highlight the role of rural promotion and development agencies, such as the *Food and Agriculture Organization* (FAO) and the *Inter-American Institute for Cooperation on Agriculture* (IICA), some



state organizations regulating and creating standards, such as the National Institute of Industrial Property (INPI), and government organizations (Ministries, EMBRAPA, INTA), and others with direct support to producers, as is done by the Brazilian Service Support for Small and Medium Enterprises (SEBRAE) and some groups in universities. The big gap is found in the territorial policies, separated from the work of dissemination and implementation of the GI.

In Brazil the Geographical Indications (this is the generic name adopted by INPI) are governed by the Industrial Property Law n.º 9279 dated 14/05/1996, through which the INPI is the designated agency that grants and issues the registry certificate. The first aspect to be emphasized is that the Law does not define GI, it establishes only their kind: the indication of origin (IP) and the designation of origin (DO). The other aspect, which is important and innovative with regard to EU legislation, is that services are included as an object of certification. Producers or service providers may choose the most appropriate form in terms of protection, taking legal requirements into account.

INPI's website says that we can conceptualize IG as the identification of a product or service as originating from a location, region, or country when a certain reputation, characteristic, and/or quality can be mainly linked to this particular origin. In short, it is a guarantee as to the origin of a product and/or its regional qualities and characteristics.

As for the two modalities, we have the following characterization: Indication of Origin – IP is characterized by being the geographical name known for the production, extraction, or manufacture of a certain product or the provision of particular service, in order to enable the aggregation of value when indicating its origin, regardless of other characteristics. The geographic origin is considered to be a preexisting condition indispensable to the application for registration. Producers or service providers should prove through their representative body the reputation when forwarding the IP recognition to the INPI. The Designation of Origin – DO is the geographical name “which designates a product or service whose qualities or characteristics are exclusively or essentially due to the geographical environment, including natural and human factors”.

In short, the geographical origin implied in the DO should affect the final outcome of the product or the provision of service, in a form that is identifiable and measurable and which will be subject to proof when an application for registration specific to this specie is made to the INPI, through technical and scientific studies, thus becoming a more complex testing than that required for the IP.

The right to the exclusive use of an IG is linked as a basic rule to the form of organization, because it is a precondition for the application for registration,

thus strengthening the need for a dialogic management, a characteristic of social management. However, there is an exception for the case of absence of other producers or service providers that may take advantage of the geographical name, in that the request may be submitted in person.

The recognition of the first IG in Brazil in 2002, the “*Vale dos Vinhedos*” in Rio Grande do Sul, had a positive demonstration effect as a total cultural phenomenon from the territorial development. In other words, it strengthened a process of territorial valuation and dissemination of this alternative to five more successful experiences in the State of Rio Grande do Sul: the “*Vale dos Vinhedos*” case has had a high profile in Brazil. Vierdelles and Vitroles (2010) say that the IG project for wines in Brazil was a reaction to the loss of competitiveness of local businesses from the 1990s, when the Brazilian market opened to competition, especially the Argentine and Chilean wines. EMBRAPA Uva e Vinho, located in Bento Gonçalves, was responsible for the initial design and coordination of actions. By establishing a timeline for the Brazilian wine production, Tonieto (2003) suggests the emergence of a new phase that is distinguished by the introduction of quality certification, seeking regional identities for wine production in Brazil.

In the Argentine case, and with much reason, considering the tradition and the relative importance of wine production and its presence in the basic diet, the GI culture also began in the production of wines. The 1990s began with the convertibility plan in relation to the dollar (one-to-one parity) and an indiscriminate trade liberalization, which among other more negative effects revealed, in the case of wines, the gap between Argentine and Chilean production. Even with a greater production, the Argentine domestic market was the main target, while the production in Chile was more coordinated with international markets. Throughout these years, Argentine wine production gained competitiveness, but there was also an inflow of foreign direct investments from Spain, Chile, and Portugal.

The 17 Brazilian Geographical Indications granted by the INPI by January 2012 are listed on its homepage in chronological order of registration request where there is information about the product, name, and State: only gaucho coastal rice is a Designation of Origin; the others are Indications of Origin: Coffee of the Cerrado Mineiro Region (Minas Gerais); Wine of Vale dos Vinhedos (Rio Grande do Sul); Meat of the Gaucho Pampa da Campanha Meridional (Rio Grande do Sul); Cachaça of Paraty (State of Rio de Janeiro); Grapes and Mangoes of the Vale do Submédio São Francisco (Bahia and Pernambuco); Finished Leather of Vale dos Sinos (Rio Grande do Sul), Coffee of the Serra da Mantiqueira (Minas Gerais); Wines of Pinto Bandeira (Rio Grande do Sul); Rice of the Gaucho North Coast (Rio Grande do Sul); Golden grass crafts of

Jalapão (Tocantins); Sweets of Pelotas (Rio Grande do Sul); Shrimp of the Costa Negra (Ceará); Clay pots of Goiabeiras (Espírito Santo); Cheese of the Serro (Minas Gerais); Cheese of Canastra (Minas Gerais); Shoes of Franca (São Paulo); and Precious Opals and jewelry made with them, in Pedro II (Piauí).

In the Argentine case, it is worth noting that since the 1960s (three decades before the enactment of laws specifically related to the industrial property of products based on quality and origin) Argentine legislation makes reference to the DO, reaffirming the protection against unfair competition and consumer protection. However, the first specific statement occurs in 1999 for wines (Law 25163) and 2000 for agricultural and food products (Law 25380). The latter was modified in 2004 (Law 25966), but it is where categories that are likely to be registered are foreseen; the Geographical Indications and Designations of Origin. Thus, the Argentine legislation is directly inspired by the European Union, having two systems, one for wine and another for the remaining agri-food products.

There are some other significant differences in the regulatory framework in Argentina, such as the registration that is only allowed for tangible goods and not services, again similar to the European case. Another aspect is that the Argentine law defines IG as the name that identifies a product originating from a region, location, a delimited production area of the national territory no larger than the area of a province (corresponding to a State in Brazil), or an already recognized interprovincial zone, and the IG is justified when a specific quality and the characteristics of the product are mainly attributable to its geographical origin. The text enables adherence to this identification system of both a vineyard and a wine establishment. Thus, Argentine law can favor the fragmentation of efforts. More than 80 registration entries can be counted in an IG list that has been recognized since 2002 and published by the National Wine Institute of Argentina. Also in this line of a possible fragmentation of efforts, some provinces provide support for the creation of IG. However, for other agri-food products, there are still only two recognized registration entries: the “Chivito criollo del Norte Neuquino” (Centeno, 2007) and the “Salame de Tandil”, both as DO and respectively located in the provinces of Neuquén and Buenos Aires.

According to Marcelo Pérez Centeno, there are difficulties in marketing because “we have worked five years to earn the IG, but not to commercialize it”. Another aspect is the resistance of supermarket chains, which apply a kind of lockout, because they do not control and, for this reason, have no interest in strengthening family farming output circuits having an IG. There are other explanatory factors, such as the need of timely supply and adequate quality and quantity. The importance of coordinating axes that create marketing

opportunities, is a problem for INTA's officer, and thus, the importance given to fairs and, in general, to public policies that enable the supply to schools and implement programs such as "Fome Zero" ("Zero Hunger"). In a broader view, the perspective must be that of a long-term work, with a kind of subsidy for technical and management resources.

Finally, with regard to relevant differences, there is an aspect of the granting body. While in Argentina we have the *Instituto Nacional de la Propiedad Industrial* (INPI, the same acronym of Brazil), with very similar purposes, the body granting registration is the *Secretaria de Agricultura, Ganaderia, Pesca y Alimentos de la Nación* (SAGPYA), which also has the task of monitoring and controlling the system. Once a GI is recognized, the Argentine INPI is only notified.

In Brazil, besides the possibility of working with more comprehensive areas in the territory, another positive factor is the strict law centralized at INPI, which in principle erects barriers against the vulgarization and local pressures to obtain differentiations, thus favoring its effectiveness to fulfill its role, as it hampers fragmentation. One negative aspect to be avoided is the excessive localism, which can lead to dispersion of efforts and, taking into account the regional political disputes and party apparatus, have work conditioned to local political disputes. Instead, the best way is to think in the broadest possible extension, even internationalizing it when appropriate. Thus, we can think of joint GI promotion/export actions, when there is a scale margin to go beyond local markets.

#### FINAL CONSIDERATIONS

In this article we analyzed the reference picture of GI's regulatory framework, considering the practices prevailing in the European Union with emphasis on the Spanish experience and a comparison with the experience of Argentina and Brazil since the mid-1990s, when legislation for registration of GI and territorial policies in both countries took shape. We indicated GI and social management as ways to enhance the development and territorial identity, which can strengthen integration circuits within family farming.

GIs and local scale must be activated and empowered by social management, but this process is not a panacea, it is conditioned by a series of variables and scales exogenous to the locality, hence the importance of knowledge and criticism of public policies and its recognition as historic and political construction. The key point we have sought to develop was the understanding of a line of development capable of creating alternative forms of integration for family farming through the GI and social management.

In light of the Spanish experience, the EU, and the CAP, our focus was the observation and analysis of efficient implementation of public policies that can support the strengthening and development of agendas and concrete measures for Brazil and Argentina, and to a greater degree of abstraction, contribute to political integration in MERCOSUR. More specifically, what is sought is the strengthening of the processes of integration and empowerment of stakeholders that make up the broad framework of work organization and production in cooperatives and other forms of association. Thus, the subject has some transversality in that it involves the valuing of territory-anchored production as an instrument of a process of integration in family farming and its associations.

In the case of Argentina and Brazil, an adjustment is required in the development of public policies to better situate and program activities and goals. Specifically in the Brazilian case, the disclosure, financing, and strengthening of GI should be linked to the Ministry of Agrarian Development and the Citizenship Territories Program, where policies strengthening family farming are or should be, always taking into account a long-term perspective with technical resources and management made possible by public policies.

Tradition, citizen participation, and physical and immaterial assets of territories – the base of GI – are compatible with science, technology, and innovation. More participation, tacit knowledge, and ability to innovate are alternative paths to economies and delocalized knowledge. The challenge is to make a new technical and political culture available for agri-food production anchored in the territory and culture of people, who are also part of the landscape.

We understand that the implementation and promotion of GI are confluent with social management, which can be confirmed by the successful experience in Spain, where a model of agricultural policies based on small and medium producers was created.

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