

# INVISIBLE WELFARE. DESIGNATIONS OF ORIGIN: TRADITION, INVENTION, AND MONOPOLY

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**Abstract:** *As is widely recognised, long before the advent of the global market, «reputation» gave products a competitive advantage on both domestic and international markets. But only in the 20<sup>th</sup> century were legal instruments such as the EU designations of origin system introduced to protect both producers and consumers. Producers were protected against price fluctuations and consumers were guaranteed the quality of goods. Designation labels were first introduced in the winemaking industry in the early decades of the 19<sup>th</sup> century, and by the 1990s covered a wide range of foodstuffs. However, they often involve the «invention of tradition» which is used to protect the economic interests of economically stronger areas. Focusing on Italy this paper discusses the relationships between «tradition» and «invention» and between protection/valorisation of cultural heritage and EU support and a system of «invisible welfare», which in the long run has prevented the European rural system from disappearing.*

**Keywords:** *reputation; tradition; invention of tradition; designations of origin.*

**Resumo:** *Como é amplamente reconhecido, muito antes do advento do mercado global, a «reputação» dava aos produtos uma vantagem competitiva tanto no mercado nacional como internacional. Mas apenas no século XX foram introduzidos instrumentos legais como o sistema de denominações de origem da UE para proteger tanto os produtores como os consumidores. Os produtores eram protegidos contra as flutuações de preços e os consumidores tinham a garantia da qualidade dos produtos. Os rótulos de denominação foram introduzidos pela primeira vez na indústria vinícola nas primeiras décadas do século XIX, e na década de 90 do século XX cobriam uma vasta gama de produtos alimentares. No entanto, envolvem frequentemente a «invenção da tradição» que é utilizada para proteger os interesses económicos de áreas economicamente mais fortes. Centrando-se na Itália, este documento discute as relações entre «tradição» e «invenção» e entre a proteção/valorização do património cultural e o apoio da UE e um sistema de «bem-estar invisível», que a longo prazo tem impedido o sistema rural europeu de desaparecer.*

**Palavras-chave:** *reputação; tradição; invenção da tradição; denominações de origem.*

## INTRODUCTION

The 2017 Nobel Prize in Economic Sciences has been awarded to Richard Thaler for his contributions to behavioural economics. Since the 1980s, in fact, Thaler has analysed economic decision-making with the aid of psychology. «He has paid special attention to three psychological factors: the tendency to not behave completely rationally, notions of fairness and reasonableness, and lack of self-control»<sup>1</sup>. It is a very important issue: it contributes to dismantle the «myth» of rationality and allows us to better understand

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<sup>1</sup> Richard H. Thaler – Facts, *The Nobel Prize*. [Consult. 28 May 2022]. Available at <<https://www.nobelprize.org/prizes/economic-sciences/2017/thaler/facts/>>.

the weight of some extra-economic elements in consumer choices. Among these, we find the concept of «reputation», an intangible element with a great effect on markets as a whole.

The question of reputation has attracted increasing attention in the last twenty years from researchers to markets and consumer behaviour<sup>2</sup>. In the case of «special markets» for «terroir products», known in Italian as «typical products», research into reputation and brand loyalty, as well as the economic value of this immaterial and largely super-structural element, has become very important in analysis of these spheres.

But reputation in fact existed, and was important, in early historical periods, albeit in different forms, and could give products significant competitive advantage. In pre-industrialised times, for example, the reputation of the market itself was important, and was gained over time on the strength of products sold and trading taking place<sup>3</sup>. The reputation of the intermediary became a quality brand associated with all the goods sold by the same merchant. *Mutatis mutandis*, the same phenomenon occurs today with «Amazon's Choice» when Amazon advertises products on the strength of its own reputation rather than a well-known brand name.

The transition to the industrial age changed how reputation was defined, recognised, and protected. Very important was the birth of the industrial or commercial brand as well as the spread of the *Country-of-origin effect* (COE), or what has been termed *Made-in image*<sup>4</sup>. And later, at the end of the 20<sup>th</sup> century, another tool for protecting reputation was to appear: the designation of origin system.

Even in the online world, the reputation of products, brands, and companies remains an important component of economic activity, and given the speed information spreads online, it is perhaps even more important than in the past. The role of influencers in orienting beliefs and needs<sup>5</sup> shows that reputation in the 21<sup>st</sup> century is a key supplementary economic value in consumer choice and markets. Many studies have analysed e-reputation, a key factor in today's commercial strategies<sup>6</sup>. All products gain advantage, and sometimes disadvantage, from reputation. This includes less prestigious products as well as niche products, such as «grands vins» and luxury liqueurs<sup>7</sup>.

Reputation can be defined, sociologically, as a «shared social representation, provisional and localised, associated with a name and stemming from social evaluations which can be more or less powerful and formalised»<sup>8</sup>. Reputation is a complex notion,

<sup>2</sup> MUTTI, 2007; KARPIK, <sup>2013</sup>; BEUSCART *et al.*, 2015; ORIGGI, 2015.

<sup>3</sup> MAGAGNOLI, 2015: in part. 33 ss.

<sup>4</sup> DINNIE, 2003.

<sup>5</sup> ROSSETTO, MUSULIN, 2020.

<sup>6</sup> FARMER, GLASS, 2010; CASTELLANO, DUTOT, 2017; CHALENÇON *et al.*, 2017.

<sup>7</sup> CHAUVIN, 2010; GERGAUD, 2000; MOLLANGER, 2017, 2018.

<sup>8</sup> CHAUVIN 2013: 132. The original text is: «La réputation peut être définie comme une représentation sociale partagée, provisoire et localisée, associée à un nom et issue d'évaluations sociales plus ou moins puissantes et formalisées».

and its characteristics can be defined as follows. First, it is a tool for reducing uncertainty, as it provides guarantees on quality, thus stabilising present and future economic relations, and guaranteeing their durability. The particular qualities of a product (real or perceived) make it recognisable and create a gap with other goods. Identifying these qualities, taking into account geographical and chronological variables, is essential to interpreting economic processes and markets.

## 1. REPUTATION: AN INTANGIBLE FACTOR OF COMPETITIVENESS

Today brand names and designations of origin are key to research into reputation on luxury markets, the success of «typical products» and the hierarchies of the world of wine<sup>9</sup>. Reputation is clearly important both for consumers and companies. A positive reputation can become a competitive advantage encouraging customers to purchase, and it can also be a true competitive advantage in enhancing relationships with supplies, media and local institutions. Furthermore, it can also strengthen the reputational capital, with persistent medium-long term effects<sup>10</sup>.

In historiography, research on reputation, fame and notoriety has focused on cases from the world of literature and art, or the sociocultural dimension<sup>11</sup>. Art historians in particular have examined the «construction» of the reputation of artists and the value of a work of art<sup>12</sup>, and largely attributed it to the mobility of artists and artisans across Europe<sup>13</sup>. In medieval times, fame played a key role in economic and social relations<sup>14</sup>. In Albertano's treatises of 1287-1288 in vernacular Italian, for example, *fama*, meaning prestige or the quality of being well-known, is compared to lightning which penetrates rapidly but leaves slowly. This archaic metaphor is effective in describing the persistence of fame of a person or a thing<sup>15</sup>.

It is thus clear that the importance of reputation does not lie exclusively in the global market of today. Reputation also existed in the past, and, although in different forms, and would give an important competitive advantage to a given product. Economic historians have shown that in the preindustrial age, the reputation of merchants and firms, acquired over time on the basis of their reliability and quality of products, improved trust and facilitated long-distance trade<sup>16</sup>, becoming an essential component of their social capital<sup>17</sup>. Reputation thus takes on the guise of status, a form of capital which everyone

<sup>9</sup> HIGGINS, 2018; SÁIZ, CASTRO, 2018.

<sup>10</sup> KLEWES, WRESCHNIOK, 2009; GANDINI, 2016.

<sup>11</sup> DUBOIS, 2008; LILTI, 2014.

<sup>12</sup> GUICHARD, 2014, 2018.

<sup>13</sup> CARACAUSSI, ROLLA, SCHNYDER, *dir.*, 2018, in part. GRANCHER, 2018: 73-98.

<sup>14</sup> FENSTER, SMAIL, *eds.*, 2003.

<sup>15</sup> «la fama è simigliante ala saieta, che agevileme(n)te si ficca (et) malagevileme(n)te si sficca» («fame is similar to a bolt of lightning, which enters easily but leaves with difficulty»); ANONIMO, 1287-1288.

<sup>16</sup> MELIS, 1990; FRANGIONI, 1994.

<sup>17</sup> GREIF, 1989; *Corporate Reputation*, 2013; MULDREW, 1997; BARNETT, POLLOCK, *dir.*, 2012; KOBRAK, 2013;

seeks to develop and protect. It has been shown beyond doubt that credit, so important in trade, is often underpinned by trust and reputation<sup>18</sup>. The reputation of products and places of production on the other hand has received little attention from historians. However, many studies show that certain products acquired a European reputation as early as the Middle Ages and the modern age. In other words, brands of products existed before the birth of the modern «commercial brand»<sup>19</sup>. In this perspective, reputation can be considered as an intermediate form between the product names used by medieval guilds and the legal trademarks of the 19<sup>th</sup>-20<sup>th</sup> centuries, taking into account that in ancient times, reputation was frequently identified<sup>20</sup>.

The *Dictionnaire Universel de Furetière* of 1690 defines reputation as a «bonne ou mauvaise opinion que les hommes ont des choses, ou des personnes. Les vins de Champagne, les melons de Langeais, les jambons de Mayence, se sont mis en grande réputation, on en a grand débit»<sup>21</sup>. The 1819 *Dizionario della lingua italiana* of the *Accademia della Crusca* says that reputation is a concept used to indicate a high opinion by others, a way of defining fame and esteem<sup>22</sup>. So it was closely linked to the trading of goods and market dynamics. Products which enjoyed significant reputations in 18<sup>th</sup>-century Europe included manufactured goods from Birmingham, Sheffield knives and scissors, cloth from Elbeuf or Sedan, silk from Bologna or Lyon, and timepieces from Paris or Neuchâtel<sup>23</sup>. Italian agrofood products and fashion goods benefit from the reputation of being «made in Italy» and for centuries this has helped them worldwide<sup>24</sup>. Today the tagline «made in France» is used in sales strategies to gain higher market share. The growth of brands from the 19<sup>th</sup> century and the development of modern marketing in the next decades saw reputation become increasingly important. Universal Exhibitions were important in this process and were instrumental in boosting its spread. In the historical period in which the global market saw large scale integration<sup>25</sup>, as competition between producers and nations became more intense, Universal Exhibitions both strengthened existing reputations and introduced new ones.

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KLEIN, ed., 1997; CALAFAT, 2011.

<sup>18</sup> MULDREW, 1998; FONTAINE, 2008.

<sup>19</sup> BELFANTI, 2018.

<sup>20</sup> ONO, 1999: 1-2.

<sup>21</sup> FURETIÈRE, 1690: 389 (Reputation is defined as a good or bad opinion which men have of things or people. Wines from Champagne, melons from Langeais, and Mayence hams have all acquired a high reputation).

<sup>22</sup> Available at <[http://www.bdcrusca.it/im\\_componi.asp?radice=000060796\\_5&seq=850&file\\_seq=692&nomeFile=FBZ3133&path1=imbd1111](http://www.bdcrusca.it/im_componi.asp?radice=000060796_5&seq=850&file_seq=692&nomeFile=FBZ3133&path1=imbd1111)>. [Consult. 27 Feb. 2021].

<sup>23</sup> MINARD, 2003, 2010; GAYOT, 1998; PONI, 2009; HIGGINS, TWEEDALE, 1995; GUENZI, 2014.

<sup>24</sup> BELFANTI, 2012, 2015.

<sup>25</sup> MARNOT, 2012.

Historians have also investigated the reputation of fine wines as part of overall research on the history of quality<sup>26</sup>. Geographical Origin<sup>27</sup>, production techniques and know-how, the positive image of a brand and place of production have all been studied<sup>28</sup>, and are all elements of different forms of reputation part of a *quality economy*<sup>29</sup> which lies between the luxury and mass markets, and contributes to market structure<sup>30</sup>. Reputation is the result of social and historical processes and is an interesting tool for the analysis of transformation of the economy, consumer behaviour and the history of products.

## 2. DESIGNATIONS OF ORIGIN: INSTITUTIONALISING THE REPUTATION

Technological progress and the removal of political and technical barriers to international trade facilitated international commerce of goods and services and raised levels of international competition. The level of market integration was accelerated in 2001, with the accession of People's Republic of China to the WTO, which completed the trade integration started in 1944 with the Bretton Woods Agreement<sup>31</sup>. This is an ongoing process today, but similar processes took place as far back as the end of the 19<sup>th</sup> century and intensified after the Second World War. This was particularly the case for trade between Europe and the USA, and for EU countries, which banded together in the single EU market in 1957 with the Treaty of Rome<sup>32</sup>.

The process made it difficult for consumers to perceive the quality level of products and they were moreover more exposed to the risk of fraud perpetrated by unscrupulous producers and traders. The introduction of clear regulations on product characteristics and respect for their origin was thus a key element in the matching of supply with demand. Regulations became an important tool in the protection of traditions and quality of products, as well as producers' interests<sup>33</sup>.

The designation system, which specifies geographical origin and defines specific manufacturing techniques, supplies a sort of «image reputation» closely linked to the food traditions of an area — traditions which are obviously «adapted»<sup>34</sup> —, and thus gives a boost to the product in terms of quality, which positively affects its market positioning<sup>35</sup>. It is acknowledged that food tradition consists of *natural* and *human factors*.

<sup>26</sup> STANZIANI, 2006.

<sup>27</sup> MAGAGNOLI, 2019; MEYZIE, 2015; MEYZIE, Philippe (2019). *Réputation et marchés. Les produits d'origine en France et en Europe (1680-1830)*, mémoire inédit d'habilitation à diriger des recherches, Université Lumière-Lyon 2.

<sup>28</sup> MAGAGNOLI, 2018.

<sup>29</sup> This term was coined by KARPIK, 1989.

<sup>30</sup> A typical case of how luxury overcomes traditional class barriers by expanding markets is described in CLEMENTE, 2011.

<sup>31</sup> STEIL, 2013.

<sup>32</sup> CRAFTS, TONIOLO, eds., 1996; BALDWIN, WYPLOSZ, 2005.

<sup>33</sup> LUCCHI, 2008.

<sup>34</sup> MAGAGNOLI, 2018: 166; CECCARELLI, GRANDI, MAGAGNOLI, eds./dir., 2013.

<sup>35</sup> FANFANI, BOCCALETTI, 2020: 312.

*Natural factors* are elements such as climate, soil, water, winds, etc. which make up what is known as *terroir*<sup>36</sup>. *Human factors* comprise skills and techniques and vocations, which are built up and handed down from generation to generation as determinants of the economic success of a given place<sup>37</sup>.

The various markers of designation of origin<sup>38</sup> are assigned by the European Union to foods whose quality characteristics depend essentially or exclusively on the place of production. It is a collective label, in other words, it can be used by all producers in a given area who comply with production standards, and is thus a collective good of the entire local community as well as producers themselves. It contributes to increasing the general level of wealth. Designations imply that the combination of natural and human factors in a product means that it cannot be produced or successfully imitated outside its place of origin. Consumers are aware of this and the entire production chain gains value from the designation.

The EU designations of origin are intended to protect the consumer from fraud<sup>39</sup> by supplying detailed information and guarantees on production place and techniques. Producers also benefit; when they follow certain specifications, they have access to a collective label which raises the reputation of their product and thus enables them to charge higher prices. On the whole, all the EU market is strongly protected from outside competitors.

Having described the system overall, we now focus on certain critical features.

Designations are a tool for protecting and enhancing reputation. Indirectly they protect product quality by specifying manufacturing standards, and they also stabilise production profit levels. At the same time, to use a Marxist definition, they set up artificial market protection which constitute conditions of near monopoly, considering that labelled products gain competitive advantage on the basis of «local reputation». There are several risks inherent in this: levelling down of quality, where producers may find that specifications give them no advantage in raising quality, and deliberate restrictions on output volume in order to raise prices and profits. Examples of these phenomena can be seen in the cases of port wine, single harvest Champagnes and traditional balsamic vinegar of Modena. Lower output keeps prices and profit margins higher<sup>40</sup>.

The second issue is the high cost of constraints and specifications of designation schemes. The risk is that small producers may find it more profitable not to use the designation of origin, even producing quality foods. The schemes may in fact help companies and firms who can pay higher costs rather than artisan producers.

<sup>36</sup> FERRIÈRES, 2013.

<sup>37</sup> PEYREBONNE, *dir.*, 2018, in part. Partie I. *Le cuisinier*: 17-64.

<sup>38</sup> See the different types of designations at <[https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification/quality-labels/quality-products-registers\\_it](https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification/quality-labels/quality-products-registers_it)>. [Consult. 17 Oct. 2021].

<sup>39</sup> MAGAGNOLI, 2019: 37 ss.

<sup>40</sup> For the case of balsamic vinegar, see MAGAGNOLI, 2005; MAGAGNOLI, VERATTI, 2017.

The last issue is that designations place constraints on producers, who however gain higher profits. This relationship is shaped like an upside-down U, with the curve going downwards over time. At the start, the designation raises profits and lowers uncertainty; consumers are better protected as product quality is increasingly standardised. In the course of time, however, the best producers, those who reach higher than average quality levels, come to realise that average profits are declining while their reputation has continued to grow. In the midterm, the advantages grow only for lower quality producers. In these cases, given the costs of the scheme, it is more profitable for the best producers to omit the designation label, and exploit the reputation of their brand.

The last part of this paper presents some examples of the above problems.

### 3. THE BIRTH OF DESIGNATIONS OF ORIGIN

Designations of origin schemes started at the end of the 19<sup>th</sup> century in the wine sector to protect producers from excessive price variations caused by fluctuations in quality and quantity in the product, and in the attempt to eliminate or reduce fraud. They were also intended to push towards standardisation of quality, and thus protect consumers. Big investments were made in winemaking technology. During the 20<sup>th</sup> century, price stabilisation became the main aim. This was meant to ensure profits for winegrowers, but required quality standardisation, which was incentivised in different ways. On the one hand, there were many attempts to introduce the demarcation of wine regions, but on the other hand, there was wide agreement that the production chain was inefficient. This necessitated stronger vertical integration of the different phases of manufacturing and trade. In general, it was also necessary to strengthen winegrowing by developing technology to make wines more reliable and standardised in terms of amount, taste, and quality.

By the end of the 19<sup>th</sup> century, progress in classifying and demarcating wines was significant, although fraud remained common. Fraud in fact occurs precisely when a wine gains a good reputation. There were different types of fraud, but they all had the same purpose: increase profits by diluting wine or replacing good with poor wine. There was much confusion and uncertainty, and fear of fraud which jeopardised not only the quality of products but even consumer health<sup>41</sup>. The market was in need of norms to regulate it. Numerous cases of fraud were linked to the big increase in international trade between the 19<sup>th</sup>-20<sup>th</sup> centuries. By the end of the 19<sup>th</sup> century, producers around the world often gave a European name to their wines, and German Champagne, Australian Sherry, and South African Port could all be found for sale.

Across Europe, after the serious outbreak of phylloxera in France, and before the designation of origin scheme, fraud became rife and had a detrimental effect on the quality of wines. The first producers' associations, with the mission to defend wine

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<sup>41</sup> See some important examples published in BÉAUR, BONIN, LEMERCIER, *eds.*, 2006.



quality, appeared. They aimed to safeguard producer as well as consumer interests. This was the first step towards the introduction of AOC (Appellation d'Origine Contrôlée), the first designation marker used in Europe, which was finally approved in 1935. The AOC regulated territory of production, growing methods, vinification processes and organoleptic characteristics. It was a key turning point because it became possible to specify by law the place where a wine could be produced, with all the material and symbolic implications of this.

In Italy, the regulation of the winegrowing sector, particularly for high-quality and typical wines, was urgently required, especially after the First World War. Before that, in fact, there were only general laws to protect these products. The first proposal for making «typical wines» became law in 1924, but the problem was finally solved only after the Second World War, in the 1957 Treaty of Rome, which led to a designation of origin law on wines in 1963.

Designations do not automatically mean quality, nor support for the growth of the wine sector. In fact, there can be negative effects on growth of the sector. In some cases, designations can even protect mediocrity, and standardisation mechanisms can level down average quality. Protecting marginal rather than excellent producers over time is clearly the opposite of the intended effect.

Whatever their effects on production and the supply side, however, it is clear that trademark protection policies often become welfare state policies. They often serve to protect social and economic actors who are not officially protected by the welfare state in what is an increasingly industrialised world. We now focus on two examples of this.

The first case is the so-called Super Tuscan wines, such as Sassicaia and Tignanello. As recently as the 1970s, these wines did not even exist, and winemakers were making Chianti, respecting the DOC (Designation of Controlled Origin) disciplinary. But because Chianti was a low-value and average wine, it was difficult to stand out against the overall mediocrity under the DOC. Some winemakers thus decided to make wines of higher quality, reproducing the features of fine French wines such as Bordeaux and Burgundy. They thus left the DOC scheme and gave up the use of the label. Super Tuscans, in fact, were born as «table wines», a designation still used today.

The second example was the 1986 wine poisoning scandal in Italy, when low quality wine was adulterated with methanol in order to raise the alcohol content with no regard for the potential danger to human health. Inadequate inspection of wine production led to the death of 23 people and injuries including blindness and brain damage to numerous others. As a result of this there was the collapse of exports. The Italian wine industry was brought to its knees. From there, many producers decided to focus on quality wine and to make consumers understand that wine sold under a certain price level can never be



good wine<sup>42</sup>. Supporting all producers indiscriminately was not the way forward, and market strategy was altered.

#### 4. FROM WINES TO FOOD: THE 1992 BREAKTHROUGH

In the aftermath of the Second World War, Europe had to solve severe food shortages, and big investments were made in relaunching agriculture and livestock production and restarting the food industry. Market fragmentation appeared to be an insurmountable problem, and the harmonisation of trade across Europe became unavoidable, along with the realignment of foodstuff imports and exports in the European market.

Obviously, intra-European trade did not start with the Treaty of Rome, but 1957 marks the end point of an important trajectory of economic convergence with regard to agrifood. In the background there was a yet undefined but certain promise of a rural Europe, whose common nature was ratified by the 1960 Common Agricultural Policy (CAP), drawn up at the Conference of Stresa in 1958. The main purpose was clear: put an end to food insecurity and reduce the expensive imports from outside Europe.

Between the lines, however, CAP had another important goal: supporting European agriculture. In the postwar period, farmers saw a growing income gap compared to other sectors at a time when European societies were becoming richer. CAP therefore constituted specifically agricultural welfare, which was realised as direct support measures to the agricultural income of the family farm. It was a specific form of state welfare, which focused on the unit of the farming family, seen as the pivot of the social organisation in rural areas.

The 1957 EEC Treaty laid down an overall framework for the protection of food products, but it was only in 1992 with EEC Regulation 2081/92 on the protection of geographical indications and designations of origin for agricultural products that farm and food products with particular origin characteristics gained geographical recognition markers. This regulation ushered in the age of «typical products».

The new norms were issued at the same time as a fundamental reform of the Common Agricultural Policy. The new PDO and PGI markers were intended to diversify agricultural production and match supply to demand more closely. The explicit recognition of a designation was also intended to raise growers' profit margins and halt the exodus from rural areas. In other words, it was widely thought that support and promotion of farm and food products with certain characteristics would enhance farm output and impact positively on rural development, particularly in the most disadvantaged outlying areas.

There is in fact a certain continuity in the conceptual framework of the CAP, which covers two multiple levels: (i) *economic level*: supporting agriculture sector income; (ii) *social level*: preventing or slowing rural depopulation. In this respect, CAP and the

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<sup>42</sup> CARNAZZI, 2016.

designation of origin system can be considered an essential part of a European system of welfare. As welfare it is to a large extent «abnormal» and invisible, but it yielded important results even if, on the other hand, produced in spite of its many side effects. As a welfare policy it is original, and unmatched outside Europe.

## 5. THE INVENTION OF TRADITION: AN IRREVERENT APPROACH TO TYPICALITY?

Conditions were in place to enhance certain products, known in Italy and elsewhere as «typical products», which base their reputation and consumer appeal on traditional links with the area they are made in. In many ways, products are strengthened more by the legends constructed around them than by the legal protection afforded by a designation. The legend behind them is what makes the consumer want to buy the product «made in history»; the product that has always been made in the area of origin with the same old-fashioned techniques<sup>43</sup>. Buying, sharing and eating such products is thus much more than eating food. It is almost a ritual, it is like eating or drinking history, and eating or drinking time. The spread of «typical products», which evoke these feelings in consumers, gave great economic and social benefits to the areas involved in producing and transforming the raw materials. The agricultural systems of the areas where products protected by designations are made, in fact, are normally more advanced and richer than those of the areas where the raw materials are traded as commodities. It is no exaggeration to say that the economic development of certain areas took place thanks to EEC policies. Without the designation schemes, it is likely that there would be little incentive to enter the special market for labelled products.

The culture of origin, which underpins the success of typicality, involves ancestral and strong links with the natural characteristics and production traditions of an area. These links are formed of two parallel and closely connected elements: (i) the *reality* of existing traditions; (ii) the *fiction* of the storytelling, created by marketing, which emphasises certain elements of the truth. These two elements can endow products with a «uniqueness» which can be neither transformed nor transferred. The uniqueness is coded in a specific designation of origin, which belongs exclusively to one place, and the place moreover is defined by the designation. The two elements are inextricably linked.

The association between place, designation and tradition creates reputation, an intangible element that gives surplus value to typical products. These products then bring wealth to the area, and particularly to producers of the supply chain of traditional typical products.

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<sup>43</sup> MAGAGNOLI, 2018: in part. 157 ss.

## CONCLUSIONS

Talking of designations of origin that protect the products closely linked to tradition and terroir, we cannot avoid talking about storytelling as well, and how all the cultural and legislative architecture of designations also corresponds to marketing actions oriented to the construction of value. The economic advantages of the exploitation of the quasi-artificial monopolies created by designations of origin, in fact, are based on elements which are often completely invented, or which overestimate reality<sup>44</sup>. In many cases they can be interpreted as factors which distort competition and as elements of an invisible — and unusual — welfare system.

Designations often simply ratify the primacy of a manufacturing system of an existing area. They can be the outcome of clever marketing strategy and storytelling, which is strong enough to interact with the institutional sphere of policy-making. This interpretation, denying the real existence of typicality, might seem perhaps irreverent. But it is necessary to ask whether links with the traditions of place of production are real or invented. Traditions after all may have played a role in the past, but technological development since the Second World War surely plays a bigger role in production today. Many typical products, in fact, are often «reinvented» by industry taking on at the same time the signs and symbolic values of tradition and authenticity. We can call it the «miracle of marketing». Very often, rather than the reality of a typical product, the consumer is offered the illusion in terms of communication and symbol<sup>45</sup>.

It may be cynical to point out that the link between typicality and tradition emerged in the 1970s. But fears brought to the surface by globalisation, and fears about food made in the black box of industrial manufacturing are very real. During the economic boom there was widespread desire to forget the «food of the past» and focus on the new industrial foods.

Our last question concerns the future of the system of designations of origin. Will it always be strong enough to support European agricultural producers and yield consumer satisfaction? Time will tell whether in the future it will be necessary to devise new labelling systems based on sustainability and enhancement of health aspects of foods.

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<sup>44</sup> See all the examples published in GRANDI, 2018.

<sup>45</sup> CECCARELLI, GRANDI, MAGAGNOLI, eds./dir., 2013: 70-71.

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