



## Benefits of GI Ecosystem

This article is based on [The many benefits of a strong GI ecosystem](#) which was published in The Indian Express on 01/10/2021. It talks about the Geographical Indication (GI) tags and suggests a way forward to harness it for growth.

India's global brand recall and attributes of multi-cultural ethos, authenticity, and ethnic diversity are potential turbochargers for the country's economy. One channel through which these attributes can be brought out are [Geographical Indications or GI tags](#).

Today, with the emphasis on climate change and sustainability, these products can be ready revenue generators. A modern distribution system exists in India's robust global e-commerce backbone which can propel the nascent GI industry onto the national and world stage.

### Potential Benefits of Geographical Indicators (GI)

- **Benefits to Local Community:** GI protection has wider positive benefits, especially for local communities. In particular, it encourages the preservation of biodiversity, local know-how and natural resources and this is where India can do well.
- **Economic and Soft Power:** Multiple benefits flow from a strong GI ecosystem, which can be a **wellspring of economic and soft power**.
  - It will automatically resolve the three fraught India issues of poor pay for talent, low female participation in the labour force, and urban migration.
- It will convert **talent into entrepreneurship** with gig workers, and create a **"passion" economy**, that is, a new way for individuals to monetise their skills and scale their businesses exponentially.
  - It removes the hurdles associated with freelance work to earn a regular income from a source other than an employer.
- **Boost Employment-to-population:** The **labour-intensive nature of GI** offers the best solution to boosting the employment-to-population ratio in India, an abysmal 43% compared with the 55% global average.
  - Monetising artisanal work done at home will increase India's low female labour force participation rate, which at 21% in 2019 was half the 47% global average.
- **Reverse Urban Migration:** The hyper-localised nature of GI offers solutions to reverse urban migration and conserve India's ancient crafts, culture and food.
  - A rejuvenation of MSMEs, which account for 31% of India's GDP and 45% of exports, will follow.
  - An estimated 55.80 million MSMEs employ close to 130 million people; of this, 14% are women-led enterprises and 59.5% are rural.
  - Another revenue-earner, **GI tourism**, is typically a by-product of a strong GI ecosystem.

## GI and Digital Commerce

- **Amazon's local to global programme** has taken Indian producers and their products such as Delta Leather Corporation's leather and SVA Organics's organic products to 18 global markets in over 200 countries, increasing demand and company size by as much as 300 times.
  - In the two years ending March 2021, Amazon exported such Made in India goods worth \$2 billion.
- GI products need the support of governments. The EU has an USD 87 billion GI economy. China has also done very well by GI, strengthening e-commerce in rural areas and actively promoting agricultural special product brands in lesser developed areas.
- Several studies show that the **patents and copyright protection** of products under GIs result in higher economic gains, fostering quality production and better distribution of profits.

## Drawbacks

- The **potential of GI has not yet been realized** in India as the efforts have so far mainly focused only on the first step of filing the GI.
- **Filing a GI application is a huge task** that involves documenting historical evidence about the linkage of the product with the region and the application has to be filed by an association or group of persons.
- **Post registration activities** in terms of utilizing the GI certification as a marketing/branding tool to benefit the producers have not been attempted in most of the registered products due to limited awareness about GI in the country among producers, consumers and policymakers.

## Way Forward

- **Capacity Building:** GI businesses are micro, it is necessary to address the challenges of capacity-building, formal or easy access to credit, forming marketing linkages, research and development, product innovation and competitiveness in both domestic and international markets.
  - The groundwork for MSME access to formal credit has already been done with the new Account Aggregator data-sharing framework.
- **Need to Shift to Digital Platforms:** There is the vexed issue of middlemen, who run the system. With the shift to digital platforms, the distribution margins of these gatekeepers or mandi agents must be competitive so they do not act as countervailing agents by getting into similar businesses or product lines which will erode GI producer incomes.
  - As seen from the experience of the new farm laws, this will be a task for the central and state governments; they must ensure the transition without breaking down too many existing linkages.
- **Local GI Cooperative Bodies:** Local GI cooperative bodies or associations should be established which can be nationally managed by a **GI board** under the auspices of the Department for the Promotion of Industry and Internal Trade (DPIIT), the Ministry of Commerce department which should be tasked with developing this new sector.
- **Spreading Digital Literacy:** A required skill for GI producers is digital literacy. This should be a priority agenda item for NGOs and stakeholders like the DPIIT.
  - It is an opportunity for India to redefine the future of work using automation, technology and artificial intelligence while simultaneously enhancing and adorning the country's talented local workforce.

## Conclusion

The Indian GI economy can be a platform for India to showcase to the world a model for ethical capitalism, social entrepreneurship, de-urbanisation, and bringing women to the workforce, on the back of a robust

digital system. It will be truly Made in India.

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Recognition under Geographical Indications (GIs) results in higher economic gains, fostering quality production and better distribution of profits. Comment.

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