MITIGATING INSTITUTIONAL CHANGE WITHIN THE SWISS AGRICULTURAL SECTOR.  
LESSONS FROM THREE SWISS CHEESE FILIERES

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ABSTRACT  This contribution aims to examine how local actors build strategic responses to institutional change such as the process of liberalisation in the agricultural sector. Even if there is no consensus within the literature on institutional change regarding the agricultural sector, one finding is that this sector exhibits an apparent transformative and unified change. The entire sector faced an “external shock” from which a supposed different “irreversible path” has originated. However, the Swiss cheese sector and traditional Swiss cheese filières especially, exhibit in certain cases a resurgence of protectionism and restrictive corporatist regulations going against liberalisation principles. Drawing on a comparison of three filières, the contribution demonstrates that the role of institutions and the state are crucial to understand how programmed “losers” of the agricultural reform more or less successfully achieved to mitigate institutional changes.

KEY WORDS Agricultural sector; institutional change; local actors; filières; local regulation
1. Introduction

Institutional and policy change have received increasing attention in political science (Campbell 2004; Streeck & Thelen 2005; Mahoney & Thelen 2010; Fontaine & Hassenteufel 2002; Palier & Surel 2010) and in agricultural policy studies (Sheingate 2000; Coleman 1998; Coleman & Chiasson 2002; Fouilleux 2003; Delorme 2002 & 2004; Wagemann 2005) in recent years. Concerning the latter field of research, the main reason is that since the beginning of the 90s, agricultural sectors in Western Europe have been confronted to international and domestic pressures. During this period, agricultural sectors in Switzerland have faced major restructuring such as the reduction of tariff barriers, the reduction of subsidies for agricultural products and for their foreign trade.

Therefore, it appears interesting to argue that studying agricultural reforms is particularly helpful in clarifying and grounding theoretical arguments and hypotheses on institutional change in advanced capitalist economies. Even if there is no consensus within the literature on institutional change regarding the agricultural sector, one finding is that this sector exhibits an apparent transformative and unified change. Indeed, the already declining peasant world is the programmed local “loser” actor of the new policy goals and little room for manoeuvre was left to it to mitigate the effects of changes. This idea is reinforced by the end of the institutional stability that characterized the corporatist organisation of the Swiss agricultural sectors. These sectors faced an “external shock” from which a supposed different “irreversible path” has originated (Wagemann 2005).

However, some agricultural sectors, such as the Swiss cheese sector and traditional Swiss cheese filières especially, exhibit a resurgence of protectionism and corporatist regulations going against liberalisation principles. Many observers consider some dimensions of these regulations, principally grounded on the Appellation d’origine controlee regulation, as cartel agreements (OCDE 2001), whereas reformists see this as the rebirth of corporatist arrangements. Our argument is that local actors evolving in the agricultural sector want to mitigate the effects of institutional change when their interests are compromised. In order to do so, they formulate local strategic responses to institutional or policy changes with the help of public actors and in recombining or reconfiguring old institutional materials. Thus, specific local regulations emerge and can contradict or deviate initial goals. Apparent losers such as the three Swiss cheese filières we selected, when organised, when they avoid veto possibilities, when they innovate in recombining old institutions and when they build alliances with public administrations in charge of their sector, they can formulate restrictive local regulation favouring their interests.

An immediate need with regard to these developments is to describe if these filières managed to sustain previous corporatist regulation at the local level, and if proved, how they did so. The contribution is structured as follows: section two defines the concept of local regulation, section three proposes combining theories to explain if and how local actors related to the filières succeed in formulating local regulation, section four draws the case studies and compares the results. The final section concludes.

2. Types of Local Regulations

The theoretical framework proposed, posits that local actors, in line with Crouch and colleagues’ works (Crouch 2005; Crouch, Schröder & Voelzkow 2009) and recent

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1 We decide to maintain the term “filières” (supply chains in English) in French. We consider that the French term reflects a more organic and unified mode of organisation. In the French connotation moreover, consumers are not necessarily part of a filière. In this contribution, we refer to the colleges of producers (milk producers, cheese-makers and cheese-ripeners plus the body in charge of its coordination).
perspectives of institutional change (Streeck & Thelen 2005; Mahoney & Thelen 2010), possess the capacity to mitigate and deviate initial goals of policies and/or institutions under certain circumstances. Actors from different institutional spheres and levels “have large roles to play in shaping institutional evolution” (Mahoney & Thelen 2010: 13-14). Thus, the liberalization process engaged in the Swiss agricultural sector obliged potential “losers” to define strategic responses that more or less successfully instantiate new institutional arrangements and challenge the initial “spirit of the Act”. However, in line with Ostrom & Kiser (1982), we suggest that local actors are more inclined to challenge and/or recombine operational rules, i.e. the rules that guide their day-by-day actions and behavior.

Before the processes of changes, agricultural sectors in the EU and in Switzerland were characterized by national corporatist arrangements in the regulation of some agri-food products (milk, cheese, fruits, vegetables, wine, etc.) and central national associations could enact and execute regulatory measures (Schmitter and Streeck 1985; Farago 1985; Wagemann 2005). According to the literature on neo-corporatism related to agricultural sectors and empirical studies conducted around milk sectors (Grant 1985; Farago 1985; Van Waardeen 1985), we can derive six relevant dimensions related to the regulatory systems regarding milk and cheese sectors to capture what we understand by the concept local regulation:

- /i/ the rules of membership, i.e. who are the actors admitted in the circle of producers;
- /ii/ the rules of practices, i.e. how to produce and under what conditions;
- /iii/ the rules fixing the prices and the quantities of raw material and final products, i.e. what quantity of milk and/or cheese and to whom, and at what price (Farago 1987: 134ff); before changes, semi-public organization fixed quantities and prices for different products (e.g. some brand cheese such as the Gruyere or the Emmentaler);
- /iv/ the rules of the quality, i.e. sanitary and gustative norms;
- /v/ the rules of commercialization, i.e. whether a semi-public or a private body has the exclusive right to buy products and whether cheese manufacturers are obliged to sell their production to the former actors, that in turn guarantee the prices.

After the reforms, some of these dimensions still operate and constitute the content of the code of practices (cahier des charges) related to the three Swiss cheese filières selected for the contribution. Each code of practices, nowadays, composes the main source for local regulation. Here, the local dimension refers principally to the sectoral level and/or to the rules directly or indirectly designed for a filière’s production. Codes of practices, in policy analysis terms, refer to implementation acts and identify the actors - in our case, milk producers, cheese-makers, cheese-ripeners - whose behavior should be principally regulated (Knoepfel & al. 2011: 214). In other words, these actors constitute what policy analysis considers as the target groups and by their actions they affect end beneficiaries (Knoepfel & al. 2011: 53-54).

In order to identify and describe local regulations, we also qualify their overall design. To do so, we categorize the real world complexes situations within three ideal-types of local regulation (adapted from Varone & al. 2007): a permissive local regulation, an intermediate

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2 According to Pierson (2006), we consider that public policies are functional equivalents to institutions.
3 As Ostrom’s works point out (Ostrom 1990), local actors have better chances of changing operational rules rather than collective-choice rules and constitutional-choice rules.
4 Both sectors were thoroughly regulated by a disparate set of Federal laws, Federal ordinances, decrees, instructions, codes of practices, etc.
5 In addition, one must consider that different bodies of laws provide rules. In this sense, rules are intertwined.
local regulation and a restrictive local regulation⁶. Owing to spaces constraints, we will only focus on the restrictive type⁷.

The restrictive character of the local regulation is related to the six constitutive dimensions of corporatist regulation we exposed above. Restrictive rules of membership will severely control who are the actors admitted in the filières. The main measures consist of: defining an area of production and introducing a system of production quotas at each stage of the production, structured by a complex system of contracts between the different colleges of the filières and characterized sometimes by anti-competitive practices. With regard to the rules of practices, each manufacturing stage of the product is defined, implying that precise techniques, materials, and recipes are required; in doing so actors’ production will rely on a detailed definition of the product. The prices and the quantities are fixed according to a set of rules, depending on the market’s fluctuation, and, actors cannot deviate from decisions taken. Concerning quality, severe norms define to what extent bacterial flora is tolerated and sanitary procedures are fixed (with regard to the raw material and the final product); norms also define the gustative quality (taste, physical aspect, smell) of the final products and assess it. A body, generally a sub-commission, is in charge of the control of the quality issues. Regarding the commercialization, rules constrain actors to sell their production to a semi-public body, which in turn, guarantees the sale and the prices of their products⁸. The same body or another one, control the export markets.

Taking the local regulations as the unit of analysis, we investigate different factors in combination to understand how programmed “losers” mitigated the reforms through restrictive local regulatory paths. The next section presents the theories that allow us to propose working hypotheses.

3. Explaining restrictive local regulation: combining different theories

The theoretical framework proposes a combination of different theories in order to understand what favors the restrictive type of local regulations. We identify the following relevant theories that ground our independent variables and then allow us to produce our working hypotheses: institutional structure and veto possibilities (Timmermans 2001; Mahoney & Thelen 2010; Tsebelis 2002); path dependencies explanation and institutional recombination (Pierson 2000; Crouch & Keune 2005; Crouch 2005); and influence of public actors (Knoepfel & al 2011; Carpenter 2004).

Institutional Structure and veto possibilities

Institutional settings, such as federalism for example, are particularly informative about the effect of multiple arenas on public policy (Braun 2000). The federal structures are important to the study of public policies in general, and of local regulation in the context of agricultural filières, insofar as the formal responsibility of public authorities and private actors to intervene in the agricultural sector is divided between the federal and sub-federal governments. The increase in the number of decisional arenas, here the various federal, sub-federal, regional and sub-regional entities, renders the strategic games of the actors, as well as the results of policy-making and policy outputs more complex (Varone et al. 2007: 18; Knoepfel and al. 2011). More precisely, greater institutional opportunities may enhance the

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⁶ These ideal-types are constructed to represent three univocal historical paths of practices and regulation by private and/or state bodies. By definition, they are not found “tel quel” in reality, but they embody a theoretical abstraction for coding and distinguishing local regulation implemented in our case studies.

⁷ This generic conception obviously changed and pressures around agricultural production allowed for example to introduce environmental norms, food quality standards, etc.

⁸ In the corporatist organisation of the markets, retailers normally are free to negotiate the prices. In other words, a free-market characterized the institutional arrangement at this stage.
contribution of numerous actors with rival interests that, in turn, will lead to different local regulation content (Timmerman 2001). Conversely, drawing on Timmerman’s (2001) explanation, a lower number of institutional arenas dominated by one important actor will lead to a particular regulatory content.

Boisseaux (2012) showed that informal arenas could be *loci* for policy solutions and can contribute to coordinate actor’s policy-making activities. Indeed, the author demonstrated how initially targeted actors by changes of the new agricultural policy organized themselves through informal arenas and brought out a strategic response to liberalization with the precious help of public actors, namely the AOC-IGP regulation\(^9\). Additionally, actors will intentionally select strategic and specific institutional channels: for example, rather than try to reform the Swiss Federal trademark law\(^10\), the Federal Office of Agriculture (FOA) introduced new rules to the Federal law of agriculture and specified the national institutional arrangement in the Federal ordinance of AOC and IGP\(^11\). The reason is that debating in the frame of a Federal law could cause considerable costs and would confront actors to potential veto players and veto points (Tsipelis 2002; Mahoney and Thelen 2010).

In order to guide our empirical analysis, we suggest the following hypothesis: *if targeted groups by policy or institutional change are involved in a single arena, and if this arena can weaken enough the rival interests of contenders or beneficiary groups, then the content of the local regulation should be restrictive* (Hypothesis 1).

**Path dependence explanation and institutional recombination**

Path dependence explanations suggest that prior policies or institutional legacies drive posterior decisions. In the context of agricultural policies, prior decisions contributed to shape actors’ preferences (Sheingate 2001), accustoming them to income benefits and how the production should be distributed between them, sectors and territories within the agricultural sector (Delorme 2004).

In the Swiss milk sector case, Wagemann (2005) similarly nuanced the apparent end of the long-time path of institutional stability of Private interest government (PIG) consecutive of the liberalization which occurred in 1999. The author (Wagemann 2005: 4) argued that deregulated organization in charge of the milk sector “managed to re-introduce selected aspects of the previous system, continuing - at least partially - the path of the old PIG system instead of initiating a completely new “path”. In this sense, past choices increase the resistance to change demonstrated by target groups of agricultural reforms.

On a similar note, some authors (see Crouch 2005; Crouch & Keune 2005; Crouch & al. 2009) defend an actor-centered approach of institutional diversity and change based on the concept of “institutional entrepreneurs”. These actors cast around for elements of institutions - local and/or national and/or international - that they could recombine in unusual ways at opportune moments in order to produce change (Crouch 2005: 3; Crouch & al. 2009: 674).

Taken together, both literatures suggest two hypotheses about the impact of path dependent institutional arrangements and institutional recombination on local regulation related to each filières: *prior policy and/or corporatist institutional arrangements will structure local regulation in favor of restrictiveness* (Hypothesis 2). However, this hypothesis needs to be complemented in order to understand how local actors use and activate prior institutional material with new ones: *if target groups mobilize and recombine old institutional*

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9 The *Appellation d’origine contrôlée and indication d’origine protégée* regulation institute a sub-policy - and in the same time a parallel institutional environment - for actors producing typical and traditional products in order to downplay the new rules of competition within the agricultural sector.

10 AOC-IGP regulation are considered as instruments of the intellectual property right regime and some countries preferred for divergent reasons to implement those instruments in the frame of trademark law.

11 Explain the difference between a Federal law and a Federal ordinance.
dimensions with local national or international institutions at their disposal, then the content of the local regulation will be restrictive (Hypothesis 3).

**Influence of public actors: state agencies and administrative staff**

The three hypotheses presented above emphasize the mutual constitutive relation between institutions and actors (Jackson 2010). An immediate need is now to describe the potential relation between specific actors through coalition building. The literature on policy analysis (e.g. Knoepfel & al. 2011) gives a decisive weight to public actors\(^{12}\) and to the type of relations they maintain with private actors. In the frame of the agricultural policies in advanced capitalist economies, farmers’ groups of interest captured the public administration. Indeed, many studies based on “neo-corporatist” literature (Streeck & Schmitter 1985; Schmitter 1990; Streeck 1992) observed that in some cases the state not only integrates private associations into public policy making but also hands over its monopolistic political authority (Streeck and Schmitter 1985: 10ff).

These historical circumstances and social characteristics structured the relations between the state and private actors. However, the former is clearly not a monolithic, uniform actor (Carpenter 2004). The state administrations in charge of agricultural policy, but in charge of other specific public policies too, may defend the interests of either target groups or end beneficiaries. Moreover, state administrations pursue the objectives set by their legal and statutory prerogatives and each administration is also motivated by strategies for its own further development, such as the growth of its potential mobilization resources and the reinforcement of its legitimacy as a public institution (Varone & al. 2007: 20). In many cases, state administrations clearly endorsed the role of policy entrepreneurs during the drafting of the political agenda and the design of its intervention. These actors, who have already worked with interest groups and implemented prior public policies, would be in the best position to guide targeted groups or end beneficiaries’ interests and strategies aiming to formulate the content of local regulation. In a similar vein, they may help these actors to sustain a past - or even create a new - institutional environment thanks to their expertise and their political skills.

Drawing on these literatures, we thus formulate a fourth hypothesis: if the target groups can benefit from the help of the administrative department that take responsibility for the control or the supervision of the sector (for example the Federal office of agriculture, the Federal office of public health, but also the Federal institute of intellectual property in the frame of the AOC regulation), then the content of the local regulation should be restrictive (Hypothesis 4).

**4. Method and Case studies**

In a contribution of this length, we can clearly not give a full account of the cases, but can draw some lessons. Empirical elements of the case studies are based on a research thesis undertaken by the author. Our ambition does not consist in establishing decisive causal relationship, but rather to illustrate the complex interaction between different phenomena susceptible to lead to a restrictive local regulation. As the cases selected are embedded in the Swiss context, we will not over-assess their independence: the variation is mainly local and between the filières. We use a qualitative process of inquiry that seeks to confront different sources (interviews, analysis of archive, minutes, secondary literature, official state reports and reports of the filières). The comparison is centred on three different filières: the Gruyère filière, the Vacherin-Mont d’Or filière and the Raclette du Valais filière. The next section

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\(^{12}\) Conceptually, in line with Knoepfel & al. (2011: 48ff), we include under the umbrella term ‘public actors’, all state actors at the various levels (municipalities, cantons and Confederation) and in all functions (legislative, executive and judicial).
present the case studies related to the three filières. Each case study briefly presents historical moments and then tests the hypotheses.

**Case study 1: The Gruyère filière**

Until the beginning of the reforms in the 1990s, the Käseunion (Cheese Union) - a corporatist semi-public body dismantled in 1999 - strongly controlled the production of Gruyere cheese (and other brands such as the Emmentaler) and defined the content of the local regulation. Preliminary analysis reveals the restrictiveness of local regulation regarding the rules of membership, practices, price fixing, quantity fixing, quality and commercialization.

During the years of change (beginning of the 1990s), a local coalition managed to establish a Charter in 1992, an informal set of operational rules in order to anticipate and mitigate the ongoing processes. In the meantime, this configuration of actor pressured to the Federal authorities to transfer in the Swiss context the European Appellation d’origine contrôlée et Indication géographique protégée regulation. A commission of the Charter coexisted alongside the declining Käseunion and blocked all the initiatives aiming to impose more permissiveness regarding the rules of practices. The occurrence of the AOC-IGP regulation (introduced in 1997) and the Federal ordinance of “self-help measures” (introduced in 1998) gave the opportunity to the Gruyere filière to design their local regulation and to create a corporatist organisation, an Interprofession. The Interprofession organization managed to impose a restrictive local regulation principally based on the issue of quality, also thanks to FOA’s administrative staff. Finally, the six dimensions with regard to the local regulation are still present and allow us to qualify it as restrictive. In the light of these empirical elements, we will now assess the five working hypotheses we presented above.

**Test of the hypotheses**

The institutional structures and veto possibilities hypothesis is informative: as the Gruyere case illustrates, several veto actors can contest litigious rules or points (depending on their interests) regarding the code of practices in the AOC sub-policy arena; this locus of negotiations between promoters of a restrictive content and a unit of the FOA favoured the former in the present case study against opposing actors. If compromises were found, it did not weaken the initial restrictive type of the local regulation. Due to this, litigation implicating Courts of justice have been avoided. In the light of these elements, we confirm our first hypothesis, even if several veto players were allowed to contest the content of the local regulation.

The path dependence explanation and institutional recombination hypotheses are clearly instructive about the content of the Gruyere local regulation. Indeed, the introduction of the Federal ordinance of self-help measures allowed the Commission of the Gruyere Charter to build a decentralized organization structured around the production of their cheese speciality. Trough this channel, the Interprofession obtained regulatory power and monitoring in terms of quality standards but not the formal power to control prices and quantities.

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13 The set of rules enacted in the Charter does not have any legal form in the sense that they primarily serve as guidelines for any producers interested in preserving the traditional aspects of the Gruyere. Reason for the elaboration are twofold: the collapse of the Käseunion risked inciting opportunistic behaviours within the filières and liberalization opened a window of opportunity to give an access to more foreign actors producing hard cheese to compete with Swiss hard cheese production.

14 The first drafts of the Charter originate from senior officials of the agricultural services of the Cantons of Fribourg and Vaud.

15 For example it prevented the emergence of an initiative for industrial methods of practices in order to reduce the costs of production by a dairy industrial firm.

16 The registration procedure engendered 53 oppositions although negotiations weakened their voices.

17 The public actors hypothesis should probably explain how connections (e.g. past coalitions) arose between FOA administrative staff, the AOC commission and actors of a filière before and during the process of formulation of the local regulation weaken rival interests.

18 At the regional level in the case of the Gruyere, i.e. covering several cantons. At the cantonal level in other cases, (e.g. for the Raclette du Valais).
However, an internal document - in fact an agreement - regarding the regulation of seasonal fluctuations was promulgated by the Interprofession and, since then, is annually amended (Chappuis 2002: 340; Annual Reports 2001 & 2011). The Swiss Competition commission (Comco) with regard to the control of quantities contested these agreements but could not restrain them due to the self-help measures. They are now transparently fixed through instructions and are similar to past corporatist arrangements. In addition, prices of raw milk and cheese are recommended by the Interprofession between the different colleges of the filière and negotiated within the Interprofession. Regarding the institutional recombination hypothesis, the Charter of Gruyere clearly recombined different institutional materials (prior policies and corporatist arrangements). It helped the filière to elaborate the AOC code of practices, recycling “old institutional recipes”. These elements allow us to confirm hypotheses 2 and 3.

The public actors influence hypothesis demonstrates that the federal administration (the FOA) reinforced the restrictive orientation concerning Gruyere’s regulation. As seen, the administration’s influence is particularly strong in the implementation phase (when delivering the favourable decision to the AOC gruyere code of practices), where its expertise and favourable opinions on typical and regional products contributed to the restrictive local regulation. During the procedure for obtaining the AOC related to the Gruyere’s production, the FOA engaged negotiations with actors opposed to specific aspects of the AOC code of practices (especially concerning the rules of membership and rules of practices): the administration obtained a written commitment from them to abandon a potential appeal procedure before the Federal courts. Consequently, we confirm hypothesis 4.

**Case study 2: The Vacherin Mont-d’Or filière**

During the planned period, the less economically important a type of cheese, the less regulated its market (Farago 1985: 175). Thus, the Vacherin Mont-d’Or’s filière (VMO) and its board (Centrale du Vacherin Mon-d’Or) had the legitimate autonomy to regulate the memberships of the filière, the prices, the quantities and the quality. In the middle of the 1980s, the VMO’s filière faced two major health crises (contamination by salmonella and listeria, two microbial pathogens). Cantonal and federal administration with the economic assistance of the canton’s executive massively helped the filière to overcome both crises. In general terms, we qualify the local regulation as intermediate from the 1980s to the 1990s; the critical health crisis induced a thorough modification regarding the rules of membership and the rules of practices; these measures helped to improve the overall sanitary quality of the production (quasi absence of pathogens), but price, quantity and commercialisation rules are permissive due to the lack of legally binding dimensions of the successive conventions.

In the middle of the 1990s, most of the actors agreed that the label AOC is an obvious tool to formulate a local regulation. Concerned by many cases of fraud (copies) inside and outside the circle of beneficiaries, the advent of the AOC regulation and the self-help measures allowed the filière’s board to formulate a more robust regulation enabling VMO’s production and denomination’s defence; the CVMO restructured the filière around a collective organisation: the Interprofession du Vacherin Mont-d’or (IPVMO). Surprisingly,
the procedure aiming to register the AOC code of practices took more than five years (1998 to 2003). Actually, only three oppositions deferred the decisions of the FOA and came from “insiders”.

A year after obtaining the AOC recognition, a few copies were noticed in local markets within the area of production or in other cantons. The IPVMO undertook a judicial procedure in 2006. Four years later, in June 2010, the Federal court of justice dismissed the appeal undertaken by the IPVMO and ruled on the right to free enterprise. This decision considerably affected the rules of membership according to the Interprofession: actors located outside the area of production can play with similarities to VMO’s characteristics, as long as they do not refer to the denomination. The local regulation is restrictive although the IPVMO has lost its regulatory power regarding the rules fixing the prices and the quantities.

The next part will assess the working hypotheses with regard to the empirical elements related to the filières of VMO.

Test of hypotheses

As already seen, the AOC regulation established one institutional arena in the first step of the AOC registration procedure and very few veto players were able to contest the content of the regulation. Individual actors of the filière represented rival interests in the arena24. The procedure took five years and neither the FOA’s staff nor the IPVMO in the arena managed to discourage the voice of the contenders although the FOA intervened unfavourably for the contenders. Only the intervention of a member of the local government resolved the dispute by reaching a compromise. Here, the crux of the problem directly affected the rules of practices and indirectly the rules of membership. An unfavourable decision would have excluded one third of the members and weakened the entire filière’s economic performance. These elements allow us to confirm hypothesis 1.

According to the path dependence hypothesis we assumed that prior policies and/or corporatist arrangement would be informative about the potential restrictiveness with regard to VMO’s local regulation. In the case of the VMO, prior agricultural measures modestly account for the restrictive local regulation; in fact, past policy decisions in the milk and cheese sectors possibly structured the actors’ preferences in favour of maintaining or re-introducing old institutional recipes. At the operational level, however, past severe sanitation measures, such as a strict system of traceability, self-control measures, etc., first influenced the restrictive content of the local regulation and consistently reinforced it over time25. The case study (Tippenhauer forthcoming) shows that principally a mechanism of technico-economical lock-in effect is at work: to change techniques and procedures of sanitation control implies high costs. As cited above, severe hygiene measures directly affected rules of practices and indirectly the rules of membership26. In line with these elements, we confirm hypothesis 2.

Regarding our proposition about institutional recombination, it appears that it gives little information about the restrictive content of local regulation. 

24 Precisely they are milk producers using feeding silage and an important cheese-maker. Specifically to the VMO, the feeding silage processing adopted by actors in the 1970s and some rules related to the milk treatment in the 1980s actually structured negotiations surrounding the obtaining of the AOC code of practice within the filière.

25 To sum up, competing options are too costly. Self-reinforcing sequences and lock-in effects are the mechanism at work.

26 Hygiene measures imply high investments in sanitation control activities and self-control procedures. Plus the zero risk is in theory never avoided. Thus, to become a member of the filière is restricted to professionals who assume these costs.
The influence of public actors on local regulation hypothesis suggested restrictiveness. During the process of obtaining the AOC, the FOA was clearly in support of the actors who were in accordance with their doctrine. One should note that the history of the filière (Tippenhauer forthcoming) illustrates the recurrent help of the local administrations (health and agricultural services) enabling the filière to gain more professionalism (during the health crises). As the FOA is the implementer in charge of the AOC regulation and procedures of obtaining it at the national level, this actor demonstrates again its willingness to defend restrictive content, but only with regards to the quality. These elements allow us to confirm hypothesis 4.

**Case study 3: The Raclette du Valais filière**

Compared to the preceding cases, it is difficult to talk of a unified filière concerning the raclette cheese speciality, before, but also after the process of liberalisation. Similarly to the VMO’s production, however, a system of conventions defined the local regulation. The filière is located in the Canton du Valais, where agricultural activities are thoroughly supported by the agricultural service’s different measures and the local government officials. With the documents at our disposal, we can qualify the local regulation as permissive for this period.

After the advent of the AOC-IGP regulation in the end of the 1990s, the cantonal authorities, the agricultural administrative service, took the lead in the formulation of the local regulation related to the Raclette du Valais and submitted a request (1997) to obtain the AOC code of practice. They based their application on the appropriation of the “Raclette”’s denomination for the unique canton of Valais. In practical terms, many important private actors, who produce Raclette and follow their own rules of practice conflicting with some AOC promoters and the FOA’s doctrine, are located outside the canton of Wallis. They undertook a procedure of appeal within the statutory arenas of the FOA.

Despite outsiders advancing reasonable arguments, the FOA favoured the option aiming at reserving the exclusiveness of the denomination to whomever will produce the cheese in the Canton of Wallis. In 2006, three firms involved in the agro-food industry initiated a procedure before the Courts. In 2007, the Swiss Federal Supreme court of justice ruled in favour of the firms. In taking this decision, the Federal court directly minimized the restrictive character according to the right of membership of the initial AOC code of practice and allowed actors located outside the area of production to organise themselves in an alternative manner, in this present case a collective mark. Indirectly, the decision creates two regimes of regulation. The next section assesses the hypotheses.

**Test of hypotheses**

The present case reveals that due to a lack of vertical and horizontal coordination and the incapacity of the FOA to downplay rival interests of outsiders in the regional arena, the principal milk association, the Milk federation of Wallis (FLV) could not capitalize on the FOA’s support. Too many actors, including powerful actors (three firms), have managed to contest the design of the local regulation outside the designated arena. These elements allow us to confirm our hypothesis 1.

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27 The filière regrouped the Fédération laitière du Valais (FLV; the Dairy federation of Wallis), the Association des marchands de fromage du Valais and both actors founded a body in charge of purchasing cheese from Wallis (also known as ALP GOLD from 1988). The ordinance of the designation of Swiss cheese (ODSC) constituted the fundamental base with regard to the rules of membership and practices (the definition of the product).

28 For example, we can point to the use of pasteurised milk and industrial methods during the processing.

29 They are: Cremo SA (a dairy firm), Migros (a retailer) and The Swiss Association of Raclette.

30 The Court argued that the Raclette is used to designate a dish and not a cheese.

31 The collective mark falls under the aegis of the Federal trademark law (SR 232.11).

32 The initial objectives of the cantonal public actors to obtain an AOC for the Raclette and the filières fragmentation depending on rival interests.
Empirical elements are not robust enough to discuss the path dependency explanation. We could though, speculate the fact that the lack of local institutions related to the functioning of the filière would have not unified the interests of the different college of producers (milk producers, cheese-makers, cheese-ripeners). According to the institutional recombination, it is interesting to see that again, actors in charge of the AOC dossier, local public actors and the FLV, used old federal policy (the famous ODSC) to defend the non-generic character of the “Raclette” denomination. In the same way as the VMO, the FLV principally tried to adjust, and then to “freeze”, the restrictiveness of the rules of membership during registration process mobilizing old recipes. However, in the light of the entire process of the AOC registration, the FLV failed to formulate a restrictive content, despite the historical evidence of the “Raclette” denomination. We then reject hypothesis 3.

Concerning the influence of the public actors, the empirical elements drawn above lead us to confirm the hypothesis 4, since the present case shows one of the most important activism on the part of cantonal and federal public actors in order to give a restrictive content to the local regulation. Nonetheless, it seems that as soon as the judiciary actors were involved in some way, it downplayed the restrictiveness of the local regulation.

The next section will compare the results and discuss what are the main configurations of variables at work that allow us to design a given type of local regulation, in the process of institutional change.

Comparing the hypotheses and results

While the designing processes developed slightly differently in the three filières, they share a number of characteristics explaining similar outcomes (see table 1). The analysis clearly reveals the crucial role played by the administrative staff of the FOA, in particular when it transferred the European AOC regulation within the Swiss agricultural policy. It is interesting to note that this form of state activism allowed the set up of a framework which derogates from the principles of competition proclaimed in the reforms of agricultural policies. In doing so, a sub-policy field emerged, with its own arenas, actors and procedural rules. Thereby, the FOA creatively emphasized the focus on quality goals with regard to the local regulations, as a potential way to reinforce their restrictiveness and downplay the competition mechanisms supposed to be at work.

It is also interesting to note that if controversies emerged in the sub-policy arena, the FOA systematically supported actors who promoted a restrictive content pertaining to quality, which are translated in the rules of practices. Surprisingly, the FOA systematically intervened in the fixing of the rules of membership, notably when issues appeared around the denomination of the three filières’ products, although no procedural rules prevent the FOA from interfering in this sphere. The three Swiss case studies presented above tend also to demonstrate that the structuring of the restrictive content starts with the local action of both public (the cantons) and private actors. However, downplaying uncooperative voices within the cantonal arenas is not sufficient. The empirical analysis shows furthermore that when actors leave the confines of the sub-policy arenas, they open the field to veto possibilities, such as the Swiss Competition commission and the Courts. In Crouch and Keune’ terms (2005: 86), “actors in the dominant space may have easy access to other actors who operate in minor spaces”.

11
Past policies played a twofold role in the two of the three case studies (see Table 1). First, it structured the debates within the filières, especially when it came to formulating strategies to mitigate the expected consequences of the agricultural reforms; indeed, the role of existing legacies shaped target groups’ practices, routines, procedures and preferences and it orientated them towards finding solutions that could maintain their past profits. Second, it consequently ushered in the re-introduction of corporatist regulation allowing Gruyère’s actors to obtain regulatory power regarding quality, prices and quantities whereas VMO’s actors ironically benefited from the strong measures taken locally and aiming at reducing sanitary problems at the end of 1980s. The latter have technical barriers to control new insiders and the former indirectly control entry of competitors.

Institutional recombination hypothesis reveals the innovative capacities of actors - in line with Campbell (2004) and Crouch (2005) - in recombining past materials to prove the non-generic character of their definition and to define the area of production. In doing so, actors defending filières’ interests tried to legitimate why the given areas they defined should include a region or another. Therefore, it strengthens the idea that “local specialisms that depart from the logic of a national system […] suggest that the nation-state is not necessarily always the most important level determining the institutional environment […]” (Crouch & al. 2009: 658).

However, further research should integrate in its analysis the internal power of the organisation. Indeed, in the case of the Gruyere, the Interprofession’s behaviour is similar to past associations present in the milk sector before the reforms. Recent developments show that the Gruyere obtained the exclusiveness of the AOC denomination to the detriment of French producers using the same denomination who are now forced to use the IGP label33. The Interprofession principally mobilized a “public actors network” (constituted by a delegations of the FOA and Federal institute of intellectual property) to negotiate this case before the European authorities. Concerning the VMO, the advent of the Interprofession helped to reinforce the cohesion within the different colleges and better coordinate the interaction processes.

5. Conclusion

The apparent reforms in the agricultural sectors fixed new objectives and could be characterized as third order changes in policy change literature (Hall 1993). Gradual but profound changes of the sort we can observe in the agricultural policy are not really expected by comparative historical institutionalism. However, the process of liberalisation, admittedly, presumes that local actors in the agricultural sector, the programmed target groups of these reforms, were supposed to undergo radical transformation. However, we saw that local initiatives, the demand to transfer the EU AOC regulation in the Swiss context for example,

33 The IGP label is less restrictive according to the source of raw materials especially. The administration of the existence of a link to the terroir is more flexible.
have been taken over from the public authorities. Indeed, the FOA implemented the Eu regulation and created a single sub-policy arena. The local actors’ initiatives did not stop there. Ambiguities and contradictions in the new policy goals regarding the agricultural institutional rules - competition measures in conflict with the self-help measures and the AOC regulation - have helped to create an exemption regime to the new and transversal competition rules. These circumstances have left room for the more or less successfully elaborating of local regulations. In line with Mahoney & Thelen (2010), actors can find in the basic properties of institution the possibilities for change. They urge us to seize the “gaps” or “soft spots” between the rule and its interpretation or the rule and its enforcement (Mahoney & Thelen 2010: 13-14). The systematic comparison of the three case studies revealed the major role and the innovative capacity of local actors to ensure “light” local corporatist regulations. Finally, the contribution shows that corporatist arrangements and regulation has not simply disappeared, but just as market, community and state forms of social order change over time (Streeck & Schmitter 1985: 1; Wagemann 2005: 19), so does the local actors, such as the one who are organised within and around Swiss cheese filières.

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