

Summary of Doctoral Thesis

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Title	GEOGRAPHICAL INDICATION AS A DIFFERENTIATION TOOL FOR AGRICULTURAL PRODUCTS IN VIETNAM
<p>Introduction and purpose</p> <p>Geographical Indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. One of the main applications of GI for agricultural business (agribusiness) and rural development is its use as a tool for product differentiation. However, the obstacles to the differentiation strategy are to operate GI system in the way of fully understanding that the GI products are not only business assets but also cultural assets, a type of public goods. The public good characteristic of GI requires the differentiation strategy to be conducted through the process of institutionalization of the collective reputation to solve the problems of asymmetric information and free riding of the reputation in the market. Also, due to the nature of public goods, legal framework and public involvement are one of the crucial parts of the institutionalization process. Nonetheless, the fact is the conventional approach to the legal framework was left open to nations around the world, and GI has been mostly new to almost all developing countries in terms of developing a sound legal structure for this system, especially how public entities involved in the operation of GI after its registration or the operational phase of GI. The evaluation of the differentiation within the context of Vietnam still is on discussion. This dissertation focused on identifying the current situation and future prospects of the development of GI as a differentiation strategy for agricultural products in Vietnam.</p> <p>This dissertation has three main objectives; 1) To examine the challenges to the development of GI as a differentiation tool for agricultural products in Vietnam; 2) To leverage some future</p>	

prospects for GI differentiation strategy in Vietnam; and 3) To define the current situation and future perspectives of GI as a differentiation tool for agricultural products in Vietnam.

Materials and methods

Case study approach

To reveal the challenges of GI in Vietnam, Luc Ngan Thieu lychee was chosen as a case study because it has been considered as a popular case for development of GI for fruit product.

To leverage the future prospects of public involvement in GI system at the operational phase in Vietnam, 3 GI cases in the fruit sector were examined in Japan: Aomori Cassis, Tsuruta Steuben (grape) and Sakurajima Komikan (mandarin orange). The comparative study is used to verify the difference in public intervention among different types of GI group structures.

In depth interviews and group discussion using semi-structured questionnaire with open and closed questions were conducted with farmers, representatives of GI groups and public personnel directly involves in the GI system.

The main data analysis technique used in this dissertation is “coding qualitative data”. Accordingly, the information gathered through the surveys is organized into conceptual categories or groups.

Results

Chapter 3: Challenges for GI to function as a differentiation tool for agricultural products in Vietnam

This study evaluated the challenges of the differentiation with the focus on examining the whole institutionalization process in Vietnam using Luc Ngan Thieu lychee case study. In depth interviews and group discussion were employed to achieve the objective. The challenges were empirically defined as the low awareness of GI among local stakeholders; weak CoP and poorly designed and implemented enforcement system; lack of a sound designation and implementation of a value chain for GI that can effectively control, verify and govern the right use of GI reputation and marks in the market, and to effectively distribute economic benefits from GI business among value chain stakeholders. Also, very few measures have been conducted to evaluate the social and environmental effects of and revise GI system. Additionally, unclear roles and responsibilities of public entities in the GI system after registration or operational phase of

GI. As a result, GI reputation and marks have been hardly played a role as the tool for differentiating GI products from counterfeits in the markets.

Chapter 4: Public Intervention in Operational Phase of GI in Japan: A lesson for Vietnam

The case study for Luc Ngan Thieu lychee in Vietnam clearly showed the limitation of public intervention in the operational phase of GI in Vietnam. To address this issue, this Chapter aimed to leverage some lessons from Japan in terms of the rationale and activities of public involvement in the after-registration phase of GI for Vietnam. Case study and comparative research using in depth interview and group discussions were used to accomplish the research objectives. The result showed that the main rationale for public involvement in GI system in Japan is to continuously raise awareness and the use of GI among agricultural producers. In operational phase (after registration), facilitating collective actions and helping the small holders' groups are the important reasons for the involvement of local public entities in the GI system. Depending on capacities of farmer groups in terms of handling the functional activities as a GI business entity and vehicle to preserve cultural aspect of GI, the extent and the activities of the involvement vary. The public personnel might directly involve in operations of the GI groups, being assigned as a staff performing very important tasks in the farmer's group, such as working as an accountant of the farmers group and administrative person. On the other hand, when the GI group is embedded in a JA, public entities provide only technical assistance as a part of extension service.

Conclusion and consideration

In general, case study in Luc Ngan Thieu lychee can help to define the current situation of GI as a differentiation tool for agricultural products in Vietnam that GI system in Vietnam might not have been well functioning as a differentiation tool for agricultural products in the country. The failure should have resulted from both challenges from inside GI system and its enabling environment. While the former factor refers to the components of GI development process which include identification, qualification, remuneration, and reproduction of the system, the later emphasizes supporting elements such as legal framework and public intervention in the system. Specifically, the GI system showed loose CoP and weak enforcement scheme; lack of sound designation and implementation of a value chain for GI products to control, verify and govern the appropriate use of GI marks in the market and distribution of economic benefits from business of GI. The enabling environment presented itself in the lack of clearly defined practical roles and

responsibilities of public entities in supporting the operation of GI after registration. No actual detailed measures have been conducted to enforce the right use of GI reputation and marks in the market. As a result, the reputation of GI has been likely undermined and far little to play as a differentiation signal for the GI products in the market.

For the future prospects of public intervention in the GI differentiation in Vietnam, the public entities will probably intervene in the GI system with clearer plans and more effective actions. In general, the intervention will likely to continuously overcome market failures in the operation of GI. In other words, the involvement is to preserve the public goods aspects of GI that cannot be implemented by market mechanisms in the operation of the GI differentiation strategy. Specifically, public entities will likely designate and implement agenda to continue raising the awareness of GI among local stakeholders, implement, provide consultancy on, enforce, control and govern the operational activities of the groups to comply with CoP. Depending on the actual capacities of GI groups in handling its functions as a business entity and vehicles to preserve and promote cultural aspects attached to the GI products, the public personnel can be as a functional component of the GI groups or as a consultant of the groups.