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Protection of Geographical Indication in Vietnam: opportunities and challenges in achieving sustainable food systems

Nguyen Mai Huong, Delphine Marie-Vivien¹

Abstract –¹ Vietnam has favoured the adoption of geographical indication (GI) schemes since 2001. Opportunities have opened up to the Vietnamese GIs thanks to a number of multilateral and bilateral free trade agreements coming into effect, increasing demand for certified products. However, challenges still face those involved in the GI process, especially the post-registration phase. Indeed, there is a number of unused GIs and ineffective GIs, thus not bringing any benefit to farmers. This can be explained by the fact that far from being initiated by local producers and farmers, GI process has been led by “top-down” approach of state authorities. The “top-down approach” has conducted to inappropriate selection of products to be protected initially motivated by political and commercial considerations. We recommend appropriate selection of GIs based on two important factors: specificity of the product and motivation of the stakeholders of the value chain. In view of sustainability of the food system, the GI scheme is expected to embed an improved management model, an operational control system and a comprehensive educational and awareness raising plan targeted all value chain actors and consumers.

Keywords – Vietnam, top-down approach, sustainable food system

INTRODUCTION

Geographical indications (GI) have been adopted as a policy tool to promote sustainable rural development in Vietnam since 2001. This process has been motivated and driven by deeper integration of Vietnamese economy into the regional and global economy. In addition to a significantly increasing number of protected GIs, Vietnam has successfully set up a relatively comprehensive and stable GI legal framework. National programs from the central government on development of intellectual property assets between 2005 and 2020 have favoured the GI scheme. Out of 106 GIs registered for Vietnamese products, nearly 90% are agricultural products which are sensitive to food safety and quality issues. The territorial approach of GI is believed to be effective in driving collective efforts towards sustainability of the food system (livelihood improvement, sustainable and responsible production and consumption patterns, and environmental protection) (FAO 2018). Around 50% of the Vietnamese GIs are registered abroad and offer opportunities to raise the added

value of the Vietnamese GI products in the export markets.

MATERIALS AND METHODS

Research for this paper was done through a desk review of GI development and an empirical study of GIs models in Vietnam. The paper consolidates secondary data, including academic and scientific studies, researches, and reports of GI state management agencies. In addition, the analysis of GI management models was done through a study on 8 GIs of the project “Supporting development of PGI in Vietnam” funded by AFD between 2016 and 2018.

RESULTS AND DISCUSSION

Rapid increase of registered GIs

Vietnam has thousands of specialties, which represent the culture of localities, whose values should be promoted during global integration. Boosting GI should be part of any strategy to preserve biodiversity and traditional culture, strengthen trade competitiveness, promote local resources, fight trade abuse and fraud, or raise consumer awareness. By 31st December 2021, there were 115 GIs registered in Vietnam, 9 for foreign products and 106 for Vietnamese products, ranking Vietnam the second in the ASEAN after Thailand in protecting GIs. Phu Quoc fish sauce is the first Vietnamese GI protected in Vietnam (2001) and then protected in EU (2012). 39 Vietnamese GIs protected in the EU under the EVFTA, 04 GIs protected under UKVFTA, 03 GIs protected in Thailand, and 02 GIs protected in Japan offer opportunities for Vietnamese agricultural products to be better valued in the international market. Sales of GI products are promising as they become increasingly well-known among customers, as the case of Cao Phong orange (Hoang et al. 2020). This has led the government to encourage many communities to promote product quality to increase their value. However, the mushrooming GIs registration over the past 5 years has not reach the promising objectives because of poor operational management structure of GIs at local level. The heterogeneity of GI management models (including issuing management papers, granting GI rights of use, setting up the control procedure) challenges the effectiveness and benefits of GI protection, as well as the quality of the GI products compared to the mass-produced goods in different food systems.

Choice of products to be protected under GI

The GI system in Vietnam is characterized by the top-down model where the State assumes the pre-eminent role in the whole process (Hoang and Nguyen 2020; Pick and Marie-Vivien 2021). At the

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pre-registration phase, in all 8 studied GIs, the role of producers and other value chain actors in constituting GI specifications and building up the codes of practice was blurred as GI registrations didn't stem from the willingness of the producers. In many cases, the identification of GI products is driven by the commercial and political considerations of the local government. Commercial considerations mean selection of products of large-scale production area and volume or products of high value for trading and export (such as fruits, coffee, tea, etc.). Accordingly, there is a backlash to distinguish regional and local products, which derived from long time tradition and practices that differ from a conventional, mass-produced items. Meanwhile, political considerations, driven by programs supporting the protection of origin-linked products either as *sui generis* GI or as certification trademarks, refer to the weight of the products in the local socio-economic development, following a sharp competition among products. As the producers are little involved in defining the products to be protected and the geographical area, GI have been amended after some years to fit the wish and strategy of local producers, regarding the product categories which includes roasted coffee for the GI Buon Ma Thuot Coffee and the geographical area which has been extended for Quang Tri pepper.

The majority of the agricultural GIs are fresh products and raw materials that raise challenges in terms of management. Indeed, 47% are fruits and rice, 27.4 % are perennial crops, 10.4 % are aquaculture products and 8.5% livestock products. Firstly, seasonality of fresh products, especially fruits (35 GIs) of which harvest seasons last between 1 and 3 months, hinders the wide use of GI signs along the whole chains. Secondly, GIs for raw material products such as coffee bean, cinnamon bark, star anise, etc. are mostly traded or exported in bulk, with limited recognition of GI signs by final consumers. Besides the little interest and commitment of local actors in adopting GI (Pick and Marie-Vivien 2021), neither traders nor importers have interest and demand for the use of GIs sign for these products. Third, some GIs are only 'symbol' of the local identity with little economic value (Hanh et al. 2021) (like Tien Lang rustic tobacco, Yen Tu Golden Apricots) and don't attract participation of value chain stakeholders. Therefore, those leads to the little use of GI labels in reality by both downstream and upstream actors.

Unoperational GI management system

The dominant position of State also prevents involvement of value chain stakeholders at the post-registration phase. Most of the GI application are filed by the State authority (43,1% by Provincial/District People Committee; 34,5% by DOST; 8,6% by DARD). GI management models in Vietnam distinguishes between right to own, right to register, right to manage and right to use. After registration, the number of organizations and individuals granted the GI right of use are very modest, for all registered GIs. Even, after a long time after registration, the right to use is not granted to the eligible producers/actors (it took 8 years for Van Yen cinnamon, 5

years for Nang Thom Bay Nui rice). Another deficiency of unoperational management models is the control system which is not implemented in practice. Except Phu Quoc fish sauce, seven out of eight GI studied don't operate the control, with inconsistent coordination and combination between internal control and external control. Many GIs don't bear the GI sign when being traded in the market because of lack of a distribution channel dedicated to the GI products while farmers and producers still follow traditional trading practices (for example, selling products to private collectors). Only two out of eight GIs use GI signs frequently (Phu Quoc fish sauce, Buon Ma Thuot coffee), while the remainders (Luc Ngan litchi, Ninh Thuan grapes, Tan Trieu pomelo, etc.) only tested GI signs at the beginning of the GI projects. In consequence, the direct impacts on businesses and households are not significantly captured. For effective GIs, it really needs a "pulling" driver from the markets (the need to use the GI sign by the traders, exporter, importers) as well as a "push" to encourage producers and collective organization to take their voice in the GI process through promotional activities and raising GI awareness campaign.

CONCLUSION

Opportunities have opened up to the Vietnamese GIs thanks to a number of multilateral and bilateral free trade agreements, increasing demand for certified products both at home and abroad. The recent Strategy for sustainable agriculture and rural development to 2030 and vision 2045 together with the coming National Action Plan on transparent, responsible and sustainable food system underline the branding strategy for regional and local products, of which GI scheme is on high agenda. However, in view of sustainability of the food system, the GI scheme is expected to embed an improved management model, an operational control system and a comprehensive educational and awareness raising plan targeted all value chain actors and consumers. The choice of products should be based on two important factors: specificity of products and motivation of stakeholders in the value chain, especially the organizations of producers and traders.

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