

## Research on the Development and Management of Geographical Indications in Today's China

Gang CAI

Shandong Women University, Jinan, Shandong, China

444256759@qq.com

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**Abstract.** At present, China's agriculture is in the coexist stage of structural surplus and shortage. In other words, the biggest problem facing agricultural development is not the lack of supply and demand, but the high demand for good quality of supply. In this case, to strengthen and improve the protection and management of geographical indications are the inevitable choice to enhance the international competitiveness of agriculture in the construction of the new system of open economy. Some typical problems are put forward and then the suggestions followed in the development of geographical indications in China.

### Introduction

China is a big country of agricultural production, but also a big import country of agricultural product trade. According to customs statistics, China's trade deficit in agricultural products is growing year by year. In 2018, the trade deficit in agricultural products reached 59.5 billion us dollars, up 16.5%. The amount of imports is far greater than that of exports. At the same time, China's agriculture is now in a stage of structural surplus and shortage. In other words, the biggest problem facing agricultural development is not the lack of supply and demand, but the quality of supply is not high. In this case, it is necessary to strengthen and improve the protection and management of geographical indications, to protect China's unique agricultural product brands, promoting agriculture through quality and green development, improve the quality, meeting the needs of increasing domestic living standards and improving the international competitiveness of China's agricultural products. Brand is the core of agricultural modernization, and also is an important symbol of the country's comprehensive agricultural competitiveness. From the year of 2007 to the end of 2018, 2533 pieces of "certificate of registration of geographical indications (GI) of agricultural products" have been awarded only in the ministry of agriculture, at present, opening up markets at home and abroad to create the conditions for improving the quality has been transformed into the leading direction of agricultural development. Geographical indication product is not a short-term expedient, but long-term strategic choice.

### The Necessity of Developing Geographical Indications in China

Agricultural brand strategy is imperative, which is based on the following strategic needs. First, the current situation of agricultural brand development urgently needs brand strategy. The number of Chinese agricultural brands has been quite a lot, but from domestic view, the average value of agricultural brands is lower than the average value of domestic brands and the gap is growing. Look from abroad, it not possible to match up with international famous agriculture brand at same name. Therefore, to promote the agricultural brand strategy is not only the need to improve the quality of agricultural products, but also the inevitable choice to improve the international competitiveness of agriculture in the construction of the new system of open economy.

Second, the current situation of domestic food safety urgently needs agricultural brand strategy. Food safety problems originate from agricultural products are based on agriculture. To safeguards the food safety is the important starting point for the production and the management of brand. The central committee of the communist party of China has elevated the ability of the ruling party to

ensure food safety. Xi stressed that "great efforts should be made to cultivate food brands to ensure people's confidence in product quality". Agricultural brand strategy is pushed forward, without delay.

Finally, the 19th national congress of the communist party of China proposed to maintain the stability and long-term stability of land contract relations, to construct the modern agricultural industrial system, production system, management system and to realize the organic connection between small farmers and modern agricultural development, which lay the material and institutional foundation for the implementation of modern agricultural brand strategy. At the same time, the report of the 19th national congress of the communist party of China clearly put forward the implementation of food safety strategy, so that people can eat at ease, and also put forward the implementation of agricultural brand strategy.

### **Problems Existing in the Process of GI Management and Protection**

In the practice of our country GI development, the following typical problems are following.

#### **Not unified GI administrations lead to weakened protection, abuse and dilution of brands**

In China, there are two sets of geographical indication protection systems, namely AIC (the state administration for industry and commerce) and AQSIQ (the state administration of quality supervision, inspection and quarantine), while the other is agriculture bureau. In practice, it is easy to lead to the conflict and collision between administrative and judicial departments to carry out several overlapping protection systems for the same mark. For example, the trademark law stipulates that geographic record is a civil right, while recognized by AQSIQ as the "special mark for products in origin region", which is a quality mark that belongs to the category of public right. These is the cause of conflict between trademark and GI protection. At the same time, the fast increase in the number of public brand, make the geographical indication not in a better legal protection, leading to regional public brand dilution problem has become increasingly apparent, consumers reluctant to buy agricultural products like this, eventually making its geographical indication credibility.

#### **Unclear direction on the brand construction of geographical indications**

As a matter of fact, the brand of GI products is far behind the development of production capacity. The products with rich varieties, excellent quality and local characteristics, along strong competitiveness nationwide and even worldwide are rarely, due to the weak of brand management, and the uncertain of brand operators. GI development in various region of China lack clear direction, "heavy light protection development" has become the common fault of the province geographical indication of various brand development, without forming of various scientific and sustainable development strategy before the application of GI products in explosive growth. Even the successful application of GI also lacks effective in brand building, and a systematic strategy for the development of geographical indications, while the pursuit of short-term economic benefits is still in priority, and the brand value is underestimated.

#### **The cooperation and the mechanism in between the GI operators are not smooth**

The development of geographical indication brand needs a complete system support, in which the talent, capital, technology and system are the important elements and basic guarantee of brand construction. The government plays a leading role in building the core competitiveness of industrial clusters, while enterprises are the main bodies to improve the core competitiveness of industrial clusters. The industry associations are the links and organizers to communicate between the market and the government. Due to the public product nature of GI, most enterprises in small scale and weak in market force are prefer to free-ride. However, China's industry associations have always been highly dependent on the government and lack of strict industry regulations. Therefore, much support are needed from the government. However, excessive reliance on the government leads to the lack of innovation and vitality of geographical indication brand, which makes it unable to

coordinate the actions of farmers, enterprises and associations. The development of the brand lacks vitality and cannot stimulate its economic value, resulting in the slow growth rate of GI products.

### **Cultural connotation lacks in general GI brand**

The "country of origin" make GI product represents cultural image of a region, a nation, and even a country's, which can reflect the full spirit of demand, promoting cultural exchange the harmony between man and society. However, from the perspective of practical operation, most of the geographical indication brands lack cultural connotation and fail to fully explore the cultural resources of geographical indication and show its cultural value. Both the appearance design of the package and the package itself are lack of cultural factors. "Homogenization" makes it difficult to leave a unique impression in consumers' minds due to the low recognition of sales in the market. Lack of cultural factors, "homogenization" and "shallow connotation" lead to the less improvement in the enterprise and brand competitiveness.

### **Certification and publicity is insufficient**

Although China also attaches more and more importance to the construction of "three standards and one product" system, and some agricultural products have obtained GIP certification, but China's GI construction has not yet established a complete certification system in line with the national conditions. Certification brand promotion is fast, but brand synergistic development effect has not yet formed. In practice, the three types of certification have formed a competitive relationship between product quality in the consciousness of enterprises and consumers, which has affected the authority of national certification standards and the improvement of consumers' sense of gain. Certified produce is also not protected. Producers, consumers and even managers of relevant departments know little about the value and potential of certification. To this end, should actively carry out brand publicity action. Mobilize the media to produce agricultural culture and cultural products with regional characteristics. At the same time, promote agricultural brand standardization and certification system internationalization.

## **Suggestions on Promotion of the Competitiveness of GI Brands**

### **Strengthen top-level design and clarify the development ideas of regional GI**

The first is to establish the leading organization. Named the strategy committee to be established, with the ministry of agriculture as the leading organization, jointly with the departments of industry and commerce, as a permanent organization to promote GI development strategy, and establish a mechanism of GI strategy, coordination, promotion protection and consultation. Second, we will strengthen planning guidance. It is suggested to take the national agricultural brand development strategy as the guidance, coordinate the origin subjects and resources, straighten out the links of brand cultivation, competition, protection, elimination and international promotion, and systematically promote the agricultural brand strategy. Third, it is necessary to transcend the development mode of "geographical indication" not limited to intellectual property protection in terms of concept, but from the perspective of industrial and regional economic development, promoting the brand construction and the development of agriculture of GI. Fourth, it is necessary to highlight the advantages of place of origin, where product quality is attributed to the natural, cultural and historical characteristics of the place of origin.

### **A regulatory system need to be established under government and coordinated with industry associations in self-discipline**

First of all, the government should vigorously advocate and support GI products, through the increase the investment, financial support for small and medium-sized agricultural enterprises, and policy guidance. Secondly, we should speed up the construction of industry associations, improve the quality, strengthen mutual supervision among industries, promote exchange of knowledge, information and resources, and form the competition and cooperation of industry association chain. Third, we actively carry out administrative law enforcement activities and rights protection

activities for GI, and severely cracked down on infringement, counterfeiting and other illegal activities. We will strengthen publicity for the exclusive rights of regional public brands and provide relief for law enforcement of infringement, supporting Chinese brand enterprises in protecting their rights overseas, and establish a mechanism for protecting the overseas rights and interests of Chinese GI.

### **Supporting farmers' cooperative economic organizations and the industrialization process of GI**

The function of industrial driver in GI should be brought into full play. Firstly, it is necessary to improve the effectiveness of brand credit transmission mechanism, by the way of policy support, resource integration, and especially unified information platform. Two information platforms should be included: the first is brand information platform, which is coordinated by the leading agricultural GI organization or enterprise, established a standard unified data platform, and carried out dynamic tracking. Second, the GI origin information platform, lay the foundation for the total management of brand products, through the unified information management standards, the comprehensive query platform, the construction of sales information registration and reporting system, as a window of the origin. Third, to develop various forms of economic organizations for farmer cooperation, with GI as the core, and the mode of "geographical indications + leading enterprises + farmers" used to drive the development of related industries. Different forms of agricultural cooperation could be adopted, from the stages of pre-production, production and post-production, to improve the technological level and add value to GI products.

### **Cultural quality and innovation should be enhanced to improve the competitiveness of GI**

First of all, the cultural connotation of GI should be clarified and deep into its essence, then find out the meeting point and explosive point, so as to improve the competitiveness of GI. Secondly, the communication between the cultural connotation of GI brand and market consumers should be strengthened, and the connection between products and consumers should be formed through brand identification, product packaging, brand stories, etc., so as to promote the market's cognition and recognition of geographical indication brand. Third, the promotion of geographical indication brand competitiveness cannot be separated from the promotion of creative thinking. Creative thinking should be integrated into brand building, product packaging, promotion, marketing and other aspects, to create product positioning and visual effects, and new media for market promotion could be used, together with his innovation of the cultural connotation of products, so that the GI brand has more "accident" to enhance the brand market competitiveness.

### **Legislative mechanism for standardizing geographical indications of agricultural products**

For a long time, there have been three sets of geographical indication protection systems running at the same time in China. After the reform in 2018, two sets of administrative departments are allowed to register and manage geographical indications at the same time. On the other hand, the phenomenon of multiple branches of government will result in inefficient management of geographical indication products and even waste management resources. Therefore, in order to ensure the smooth development and implementation of the geographical indication protection system in China, they should coordinate with each other and cooperate with each other to avoid unnecessary trademark disputes, with safeguarding the interests of producers and operators of geographical indications, and promoting the sustainable and healthy development of the protection system of geographical indications, by way of its own management functions clarified, the certification time shortened, and administrative and regional barriers removed.

### **Summary**

In terms of the implementation of geographical indication management, the core is the implementation and establishment of the "regional brand" image with "special brand" and "cultural brand", combined with effective information transmission and brand marketing. All of these will

lay the premise and foundation for the brand of GI products. Therefore, to enhance the level of planning and organization of government, and at the same time, to promote fully the cooperation of leading enterprises, the industry association, government and relevant departments, will be helpful to improve the quality, popularity and influence, competitive ability of GI products at home and abroad market.

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