# Governance of Agri-food Supply Network In Emerging Markets: The evidence from Vietnam Cassava Sector

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This paper provides insights into the links between institutional context, supply chain governance and performance. It examines the nature of influence of governance of inter-firm transactions and power within supply chain network on value creation and value capture along two types of supply chain networks embedded in different institutional context. We suggested a conceptual model in which supply chain governance is mechanism transmitting impacts of supply chain entities and institutional context on supply chain performance and conducted empirical research upon this conceptual framework to explore the relationship between these constructs. Our empirical research was implemented on two types of supply in two regions of Vietnam: a domestic supply chain consisting of small producers in the North and a supply chain led by FDI firm in the South. Our multi-level analysis is based on data collected through archived documents, fieldwork participant observation and total of thirty-six interviews with informants in Vietnam's cassava sector. We found that informal institution in the South of Vietnam facilitate the concentrate of production base while informal institution in the North of Vietnam causes fragmented production network. Inter-firm-transactions in the North supply chain has been governed mainly by transactional pattern with some elements of relational pattern, mainly relying on social ties while those in the South supply chain has been governed mainly by relational pattern with focus on business orientation rather than social ties. We found that power is more asymmetric in the South supply chain, the one led by FDI firm and power asymmetry in the south supply chain associates with higher value creation and supply chain efficiency compared to the North

supply chain. Power is more equal in the supply chain consisting of small local producers and processors. The producers in this supply chain get higher share of value creation within a supply chain but due to overall productivity lower than the supply chain led by a FDI firm, their total income is lower than that of the producers of the later supply chain.

We therefore proposed that institution context affect supply chain performance through power and governance of inter-firm transactions among supply chain members. Participant of FDI firm leads to power asymmetry but higher value creation within a supply chain network. Power balance among small local producers and processors associates with low investment in relationships and hence high transaction cost and low profitability.