

**HO CHI MINH NATIONAL ACADEMY OF POLITICS**

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**THE ROLE OF THE STATE IN THE DEVELOPMENT OF  
THE CIRCULAR ECONOMY IN VIETNAM AT PRESENT**

**SUMMARY OF DOCTORAL DISSERTATION**

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## INTRODUCTION

### **1. Rationale for the Study**

In the context where the world is facing increasing pressure from resource depletion, environmental pollution, and increasingly severe climate change (CC), the transition from the linear economic model of “extract - produce - consume - dispose” to the circular economy (CE) model has become an inevitable trend of sustainable development (SD).

Vietnam, with the goal of green growth and harmonious development among the economy, society, and the environment, is actively approaching this model as a strategic solution to improve resource-use efficiency, reduce emissions, and create momentum for innovation. In this process, the State plays a particularly important role - both as the entity responsible for formulating institutions, policies, and development orientations, and as the coordinator, supervisor, and facilitator in creating a favorable environment for the joint participation of economic actors.

At present, Vietnam is facing an urgent requirement to transform its growth model toward green, circular, and low-emission development in order to fulfill its commitment to achieving “net-zero” emissions by 2050. A prominent issue is the need to improve institutions, renew management mechanisms, strengthen inter-sectoral coordination, and mobilize social resources. Therefore, the State must further promote its role in institution-building, regulation, and leadership so that the CE can become a central driving force of Vietnam’s SD model. Accordingly, researching, analyzing, and clarifying “*The role of the State in the development of the circular economy in Vietnam at present*” is highly necessary and carries profound theoretical and practical significance. For these reasons, the doctoral candidate has chosen the topic “*The role of the State in the development of the circular economy in Vietnam at present*” as the subject of this doctoral dissertation in the major of Dialectical Materialism and Historical Materialism.

### **2. Research objectives and tasks**

#### **2.1. Objectives**

The dissertation aims to study the theoretical foundations of the role of the State in the development of the CE in Vietnam; to analyze and

evaluate the current situation and identify key issues regarding the State's role in the development of the CE in Vietnam; and, on that basis, to propose several fundamental solutions to enhance the role of the State in the development of the CE in Vietnam at present.

## 2.2. Tasks

- To review the research literature related to the dissertation topic, summarize the academic contributions of existing studies, and identify issues that require further research;
- To develop a theoretical framework on the role of the State in promoting the development of the CE in Vietnam;
- To analyze the current situation of the State's role in promoting the development of the CE in Vietnam and identify emerging issues;
- To propose several fundamental solutions to enhance the role of the State in promoting the development of the CE in Vietnam at present.

## 3. Object and Scope of the Study

### 3.1. Research Object

The object of the dissertation is the role of the State in the development of the CE in Vietnam at present.

### 3.2. Scope of the Study

- *In terms of content*: The dissertation focuses on theoretical issues and the current situation of the State's role in the development of the CE in Vietnam, and proposes several fundamental solutions to enhance the State's role in the development of the CE in Vietnam at present.

- *In terms of spatial scope*: The role of the State in promoting the development of the CE in Vietnam at present.

- *In terms of time frame*: The dissertation uses research data from the period of implementing the CE since 2016 (The XII National Congress of the Communist Party of Vietnam) to the present, and proposes solutions for the current period with a vision toward 2045.

## 4. Theoretical foundations and research methods

### 4.1. Theoretical foundations

- The dissertation is based on the theoretical and methodological foundations of Marxism - Leninism on the State.

- Ho Chi Minh Thought on the relationship between human beings and the environment; and on the State and the role of the State in socio-economic development.

- The viewpoints, guidelines, orientations, and policies of the Communist Party of Vietnam, as well as the laws of the State, concerning economic management and governance, and orientations and solutions for the development of the CE in Vietnam in the current period. At the same time, the dissertation also draws on the theoretical foundations and methodological approaches of economists and other thinkers, as well as theories on the role of the State in economic management and governance in general, in the development of the CE in particular.

#### ***4.2. Political foundations***

The dissertation is conducted on the basis of resolutions, directives, decisions, and conclusions of the Communist Party of Vietnam, including: the Documents of the XIII National Party Congress (2021); Resolution No. 24-NQ/TW (2013) on proactively responding to CC, strengthening resource management, and environmental protection (EP); and Resolution No. 41-NQ/TW (2004) on EP in the period of industrialization and modernization.

#### ***4.3. Legal Foundations***

The dissertation is based on the following legal documents: the Law on EP (2020); Decision No. 687/QD-TTg (2022) of the Prime Minister approving the Scheme for the Development of the CE in Vietnam; Decision No. 1658/QD-TTg dated October 1, 2021, of the Prime Minister approving the National Green Growth Strategy for the period 2021–2030, with a vision toward 2050; and Decision No. 896/QD-TTg dated July 26, 2022, of the Prime Minister approving the National Climate Change Strategy toward 2050.

#### ***4.4. Practical Foundations***

The dissertation utilizes secondary data and materials that have been published by the Party, the State, socio-political organizations, enterprises, and domestic and international scholars regarding the role of the State in the development of the CE, the current status of CE development, and recommendations and solutions for CE development.

#### ***4.5. Research Methods***

The dissertation applies the methodology of dialectical materialism and historical materialism; methods of analysis-synthesis; document

analysis; observation and comparison; deductive and inductive reasoning; generalization and abstraction; logic and history.

## **5. Novel Contributions of the Dissertation**

The dissertation further elaborates and systematizes fundamental concepts related to the role of the State in the development of the CE in Vietnam, providing a theoretical foundation for implementing the objectives and tasks of the study. It analyzes the current situation of the State's role in promoting the development of the CE in Vietnam from 2016 to the present, identifying key achievements, existing limitations, underlying causes, and several emerging issues. On that basis, the dissertation proposes a number of fundamental and feasible solutions to enhance the role of the State in promoting the development of the CE in Vietnam in the current period and the years ahead, with a vision toward 2045.

## **6. Theoretical and Practical Significance**

### ***6.1. Theoretical Significance***

The dissertation is a scientific work that contributes additional theoretical foundations regarding the role of the State in promoting the development of the CE in Vietnam at present.

### ***6.2. Practical Significance***

Upon completion, the dissertation serves as a reference material providing useful solutions to enhance the role of the State in general, and the role of the State in promoting the development of the CE in particular. The implementation of the proposed solutions will contribute to improving Vietnam's national governance capacity and international standing in the context of global SD trends, especially as Vietnam is striving toward SD and fulfilling international commitments on emissions reduction, EP. The dissertation may also serve as a reference for researchers and readers interested in related issues.

## **7. Structure of the Dissertation**

In addition to the Introduction, Conclusion, References, and Appendices, the dissertation consists of 4 chapters comprising 10 sections, a conclusion, and a list of the author's published scientific works related to the dissertation topic.

## Chapter 1

# OVERVIEW OF RESEARCH RELATED TO THE DISSERTATION TOPIC

### 1.1. OVERVIEW OF SCIENTIFIC WORKS RELATED TO THE DISSERTATION TOPIC

#### 1.1.1. Some research works related to the theory of the role of the State in economic development and circular economy

##### *On the role of the State*

- Research work: *The Role of the State in Economic Development in Vietnam* [11].
- The book by Vu Tuan Anh (1994), *The Role of the State in Economic Development*, Social Sciences Publishing House, Hanoi [1].
- Pham Ngoc Quang (2009), *The Role of the State in the Socialist-Oriented Market Economy in Vietnam at Present* [83].
- The article by Le Thi Thanh Ha (2011), *The Role of the Vietnamese State in EP*, Journal of Philosophy, No. 8/2011 [43].
- Le Thi Thanh Ha and Hoang Thu Trang (2012): *The Economic Regulatory Role of the State in Relation to Environmental Protection Tasks in Vietnam at Present*, Journal of Political Theory and Communication, No. 9/2012 [44].
- Hoang Thi Thu Thuy (2021), *The Role of the State in sustainable development in the Central Highlands*, Journal of Theoretical Activities, No. 174 [110].

##### *On the circular economy*

- Martin Geissdoerfer, Paulo Savaget, Nancy Bocken, Erik Jan Hultink (2017): *The Circular Economy - A New Sustainability Paradigm?*, Journal of Cleaner Production, Vol. 143 [137].
- Alan Murray, Keith Skene, Kathryn Haynes (2015): *The Circular Economy: An Interdisciplinary Exploration of the Concept and Its Application in a Global Context*, Springer Science + Business Media Dordrecht, published online 22 May 2015 [126].

- Vasileios Rizos, Katja Tuokko, & Arno Behrens (2017), *The Circular Economy: A Review of Definitions, Processes and Impacts*, Research Report, 2017/8 [141].
- Nguyen Ngoc Toan (2023), *The Circular Economy in Socio-Economic Development in Vietnam at Present*, Political Theory Publishing House, Hanoi [114].
- Tran Kim Chung, Hoang Van Cuong (2021), *Trends in the Development of the CE in Vietnam in the New Context*, Finance Journal - 2021. - No. 758 [22].

The above studies indicate that the CE is a relatively new research topic that has attracted increasing attention from domestic and international scholars in recent years. Numerous studies have examined the role of the State, particularly its role in economic development. However, according to the author's review, the role of the State in promoting the development of the CE has not yet been comprehensively addressed in existing research.

### **1.1.2. Selected studies related to the theory of the role of the State in the development of the CE in Vietnam at Present**

#### ***On the current situation of the State's role***

- Le Huu Ai (2015): *The Role of the State in Orienting the Market Economy in Vietnam at Present*, Journal of Science & Technology, University of Da Nang, No. 2/2015 [3].
- Nguyen Thi Yen (2022): *Solutions to Contribute to Improving the State Economic Management Apparatus in Vietnam at Present*, Journal of Management and Technology, No. 21/2022 [124].
- The book by Le Thi Thanh Ha (2013): “*The Vietnamese State and the Issue of Environmental Protection in the Process of Industrialization and Modernization of Agriculture, Rural Areas*”, Politics and Public Administration Publishing House, Hanoi [46].
- Le Thi Thanh Ha (2012): *State Management of EP in Vietnam at Present*, Journal of State and Law, No. 1/2012 [45].
- Nguyen Thi Quy (2023): *The Economic Role of the State in the Socialist-Oriented Market Economy*, Journal of Corporate Finance, March 2023 issue, pp. 28 - 31 [92].

### ***On the current situation of the development of the CE***

- Nguyen Ngoc Toan (2023): *The CE in Socio-Economic Development in Vietnam at Present*, Political Theory Publishing House, Hanoi [114].
- Tran Kim Chung, Hoang Van Cuong (2021): *Trends in the Development of the CE in Vietnam in the New Context*, Finance Journal - 2021. -No. 758 [22].
- Nguyen Duc Dung: *CE 4.0*, World Publishing House (translated book) [28].
- Pham Tien Manh, Ngo Thi Hang (2021): *International Experience in CE Development and Lessons for Vietnam*, Finance Journal - 2021.-No. 758 [62].
- Kieu Thanh Nga (2023): *Energy Transition in Africa: A CE Approach*, Journal of Economic Studies - 2023.-No. 1 (536) [76].
- Le Hai Duong, Do Tien Dung (2022), *Experience in Developing and Improving CE Legislation in Several Countries and Policy Recommendations for Vietnam*, Journal of Legislative Studies, No. 11 (459) [42].

#### **1.1.3. Some research studies related to solutions for enhancing the role of the State in the development of the CE in Vietnam**

##### ***On solutions to enhance the role of the State***

- World Bank: *The Role of the State in Economic Development in Vietnam*, An agenda proposing the establishment of a proactive and innovative State to promote a more competitive and efficient economy [122].
- Nguyen Hong Son (2020): *The Economic Management Functions of the Vietnamese State in the Current Period*; available at: <https://www.nxbctqg.org.vn/chuc-nang-quan-ly-kinh-te-cua-nha-nuoc-ta-trong-giai-doan-hien-nay.html>[96].
- Nguyen Phuoc Tai (2022): *The Role of the State in the Formation and Regulation of the Socialist-Oriented Market Economy in Vietnam*, available at: <https://lyluanchinhtri.vn/vai-tro-cua-nha-nuoc-trong-hinh-thanh-va-dieu-tiet-kinh-te-thi-truong-dinh-huong-xa-hoi-chu-nghia-o-viet-nam-1167.html> [97].
- Nguyen Thi Yen (2022): *Solutions Contributing to the Improvement of the State Economic Management Apparatus in Vietnam at Present*, Journal of Management and Technology, No. 21/2022 [124].

### ***On solutions for the development of the CE***

- Nguyen The Chinh (2020): “Research, Assessment, and Proposal of CE Development Models Suitable for Vietnam in the Context of Implementing SD Goals and Responding to CC”, Ministerial-level scientific research project [15].
- Tran Kim Chung, Hoang Van Cuong (2021): *Trends in the Development of the CE in Vietnam in the New Context*, Finance Journal - 2021.-No. 758 [22].
- Pham Tien Manh, Ngo Thi Hang (2021): *International Experience in CE Development and Lessons for Vietnam*, Finance Journal - 2021.-No. 758 [62].

## **1.2. VALUE OF THE REVIEWED STUDIES AND ISSUES REQUIRING FURTHER RESEARCH**

### **1.2.1. Value of the reviewed studies**

*First*, in general, studies on the role of the State argue that the State is responsible for promulgating the Constitution and legal system to build and develop socio-economic life; for formulating strategies, programs, plans, and organizational apparatuses to implement socio-economic development strategies and plans; and for inspecting, supervising, reviewing, evaluating, supplementing, and adjusting objectives and implementation plans of socio-economic development strategies and programs in specific historical periods.

*Second*, the reviewed studies have identified the current state of circular economy development in Vietnam. At the same time, they provide in-depth analyses of the opportunities and challenges facing Vietnam in developing the circular economy, and emphasize the inevitability of circular economy development in the context of digital transformation. On that basis, these studies identify emerging issues, particularly in state management activities. This body of research serves as an important reference source for the author in analyzing and evaluating the current situation of the State's role in promoting the development of the circular economy in Vietnam at present.

*Third*, a number of studies have proposed feasible solutions and policy recommendations aimed at enhancing the effectiveness of the State's role in

socio-economic development in general, and solutions for CE development in particular, including sector-specific and locality-based approaches.

### **1.2.2. Issues requiring further research in the dissertation**

*In terms of theory:* The dissertation seeks to clarify the theoretical foundations of the role of the State in the development of the CE; the relationship between the State and CE development; the importance of CE development in Vietnam at present; the fundamental contents of the State's role in promoting CE development; and several factors influencing the role of the State in the development of the CE in Vietnam.

*In terms of the current situation:* The dissertation examines the current situation of the role of the State in the development of the CE in Vietnam over recent years, focusing on the following aspects: the State's translation of Party resolutions into laws and the formulation of strategies, master plans, and plans for the development of the CE; the implementation of policies, laws, strategies, and plans related to the development of the CE; and the State's investment in financial resources, science and technology, innovation, as well as inspection, supervision, and evaluation of the implementation of policies, laws, strategies, and plans related to the development of the CE. On that basis, the dissertation identifies major achievements, existing limitations, the causes of these achievements and limitations, and several issues arising from the current situation regarding the State's performance of its role in promoting CE development in Vietnam at present.

*In terms of solutions:* The proposed solutions focus on addressing the identified limitations and emerging issues, including: solutions to improve the system of policies, laws, master plans, and plans for CE development at present; solutions to enhance the organization, implementation, and enforcement of policies, laws, master plans, and plans for CE development; and solutions to promote the State's role in mobilizing and investing resources: especially financial resources, science - technology resources and in inspecting and evaluating policies for CE development in Vietnam at present. These solution groups are designed to ensure logical coherence, rigor, and consistency with the theoretical framework, empirical analysis, and issues identified and clarified in Chapters 2 and 3 of the dissertation.

## CHAPTER 1 SUMMARY

The review of scientific studies shows that, in recent years, there has been a growing body of research on the theory of the State's role, the State's role in economic development, the State's role in the socialist-oriented market economy, and the State's role in EP, etc. These studies also highlight the concept of the CE, characteristics of the CE, and the inevitability of CE development in the context of resource depletion, severe environmental pollution, and increasingly evident climate change.

## Chapter 2

### THE ROLE OF THE STATE IN THE DEVELOPMENT OF THE CIRCULAR ECONOMY IN VIETNAM - THEORETICAL ISSUES

#### 2.1. FUNDAMENTAL CONCEPTS

##### 2.1.1. Circular economy and development of the circular economy

###### *2.1.1.1. Circular economy*

According to Clause 1, Article 142 of the Law on EP 2020: “the CE is an economic model in which activities of design, production, consumption, and service provision are organized in order to minimize the extraction of raw materials and materials, extend product life cycles, limit waste generation, and mitigate negative impacts on the environment” [86]. Based on the above interpretations and from the author’s perspective, it is argued that: *The CE can be understood as an economic model operating in a closed-loop system, in which production, exchange, consumption, and service activities aim to limit the exploitation of natural resources, extend product lifespans, minimize waste generation, and reduce pollution and negative environmental impacts.*

\* *Basic characteristics of the CE*

*First*, the CE is designed and operated as a closed-loop economic system.

*Second*, the CE is applied comprehensively across a wide range of sectors and throughout all stages of market activities, from design and production to consumption and services.

*Third, the CE generates fundamental benefits through the optimal utilization of resources, including: “Reducing resource extraction, saving raw materials and inputs, EP, mitigating negative environmental impacts, and promoting economic development” [86].*

*\* Content of the CE*

The core principles of the CE include: minimizing waste through reducing resource extraction and limiting waste generation; reusing resources and extending product life cycles through repeated use; recycling waste by transforming it into input materials for new production processes; and environmental restoration through the use of clean energy or by extracting value from used products and materials.

*\* Key objectives of the CE*

The objectives of the CE are to reduce pressure on natural resources by maintaining closed material loops; reduce environmental pollution by limiting waste and emissions; promote SD in alignment with global goals (SDGs); and adapt to CC by reducing greenhouse gas emissions.

*\* Significance of the CE for the economy, society, and the environment*

Economically, the CE helps enterprises reduce costs and create new markets through recycled products.

Socially, it contributes to the creation of green jobs, employment generation, and increased public awareness of sustainable consumption.

Environmentally, it reduces resource extraction, protects ecosystems, and mitigates pollution of environmental components.

### ***2.1.1.2. The development of the circular economy***

This dissertation defines the concept of CE development as follows: *the development of the circular economy is the overall set of activities carried out by actors in society to expand scale, value, and economic efficiency on the basis of economical and efficient use of resources, limiting waste generation, recycling, using clean energy, and EP.*

In this context:

*\* Subjects of the development of the CE*

Multiple actors participate in CE development, including: the Communist Party, the State, socio-political organizations, enterprises, scientists, consumers, and especially the general public.

*\* Content of CE development*

*First*, efficient and economical extraction and utilization of resources.

*Second*, waste management, reuse, and recycling.

*Third*, the use of clean energy and renewable materials.

*\* Modes of the development of the CE*

- Public communication and awareness-raising among the population
  - Orientation, encouragement, and support for enterprises in transitioning toward CE models.
  - Providing enterprises with preferential loans for circular projects.
  - Changing consumers' consumption behavior.

**2.1.2. The role of the State in the development of the circular economy**

**2.1.2.1. The role of the State**

*\* Concept of role*

*\* Concept of the State*

*\* Concept of the State's role*

*\* Manifestations of the State's role include:*

- Managing society and maintaining social order through the promulgation of legal systems and regulations that establish norms of social behavior for individuals / social groups;
  - Protecting national interests and sovereignty through the management of territory, population, and resources. Management and protection of land borders, maritime areas, and airspace.
  - Regulating and promoting economic development.
  - Ensuring social equity and justice.
  - Conducting foreign relations and promoting international cooperation.

**2.1.2.2. The role of the State in the development of the circular economy**

Based on the above analyses and arguments regarding the role of the

State, the conceptual content of CE development, it can be understood that: *The role of the State in CE development is the aggregate of functions, tasks, and powers exercised by the State to orient, regulate, support, and supervise socio-economic activities toward resource regeneration, waste reduction, and enhanced efficiency in the use of materials and energy, thereby promoting sustainable growth and EP.*

The role of the State in promoting CE development is inevitable and objective for the following reasons:

*First, it derives from the State's function of economic regulation.*

*Second, it stems from the inherent necessity for the State to perform its role in EP.*

*Third, it arises from the nature of the socialist rule-of-law State of the people, by the people, and for the people in Vietnam.*

## **2.2. CONTENT OF THE ROLE OF THE STATE IN THE DEVELOPMENT OF THE CIRCULAR ECONOMY**

### **2.2.1. The State formulates and improves the legal and policy framework for the development of the CE**

- The system of laws and policies related to waste management, including waste classification, collection, recycling, reuse, and treatment;
- The legal framework governing the efficient and economical exploitation and use of natural resources, with an emphasis on reducing waste and losses;
- Laws and policies on the development and use of renewable energy and renewable materials;
- The system of policies specifically aimed at promoting CE development.

### **2.2.2. The State organizes the implementation of legal regulations and policies on circular economy development**

*First, the State establishes and consolidates institutional and administrative apparatuses to implement the objectives and tasks of CE development.*

*Second, the State provides orientation, encouragement, and support for enterprises and citizens to participate in CE development models.*

*Third, the State conducts communication and awareness-raising activities to enhance societal understanding of CE development and*

sustainable consumption.

### **2.2.3. The State invests in finance, science - technology, and organizes inspection, supervision, evaluation of CE development implementation**

The State plays a central role in investing financial resources and promoting science and technology to foster CE development. This is a crucial task in creating the material, legal, and knowledge foundations for the transition from a linear economic model to a circular and sustainable one. Financial investment aimed at transforming production models toward circularity is highly costly.

## **2.3. FACTORS AFFECTING THE ROLE OF THE STATE IN THE DEVELOPMENT OF THE CIRCULAR ECONOMY**

### **2.3.1. Contemporary context and domestic socio-economic development**

#### ***2.3.1.1 Contemporary context and international experience***

##### ***\* Contemporary context***

The challenges and opportunities of the contemporary era simultaneously create favorable conditions and pose difficulties for the State in performing its role in promoting CE development in Vietnam.

##### ***\* International experience***

In recent years, in order to limit the waste of raw materials inherent in the linear economic model and to mitigate the negative impacts of environmental pollution, many countries around the world have shifted toward CE development models. The successful implementation of these models has exerted a strong influence on Vietnam's CE development. Typical examples include the Netherlands, Sweden, China, France, and Japan.

#### ***2.3.1.2 Natural conditions and domestic socio-economic conditions***

##### ***First, Natural Conditions.***

##### ***Second, Socio-Economic Conditions.***

### **2.3.2. Legal system, policies, and institutional framework for the management of the circular economy**

The system of laws, policies, and management institutions plays a backbone role in CE development, as it provides the legal framework, strategic orientation, and implementation mechanisms that enable enterprises

and communities to participate in a green and sustainable growth model.

### **2.3.3 Level of scientific - technological development and innovation**

CE development requires advances in science, technology, and innovation, as well as the application of achievements from the Fourth Industrial Revolution, digital transformation, and green transition. These requirements underscore the necessity of developing science - technology as a means of advancing productive forces.

### **2.3.4 Awareness and implementation capacity of stakeholders**

This includes the awareness and capacity of the political system, enterprises, consumers, and society as a whole in implementing CE development.

## **CHAPTER 2 SUMMARY**

The role of the State in the development of the CE includes: formulating strategies, laws, and regulations to advance the CE model in alignment with green growth and SD goals; regulating production behaviors of enterprises and consumption patterns of citizens toward circularity through taxation, public expenditure, and environmental regulations; providing financial and technological resources, as well as communication and education programs to raise public awareness of the benefits of the CE; conducting inspection and supervision to ensure compliance with regulations and commitments related to recycling, reuse, and emission reduction; and acting as a bridge between enterprises, citizens, and social organizations to create a cooperative environment for building a circular ecosystem.

Key factors influencing CE development in Vietnam include: the domestic socio-economic development context and international experience; the legal system, policies, and economic governance institutions; the level of scientific and technological development and innovation; the level of awareness and implementation capacity of officials, enterprises, and citizens; financial resources; and the involvement of relevant stakeholders. These factors are dialectically interrelated and exert significant influence on the development of the CE.

## Chapter 3

### THE ROLE OF THE STATE IN THE DEVELOPMENT OF THE CIRCULAR ECONOMY IN VIETNAM AT PRESENT - CURRENT SITUATION AND SOME ISSUES RAISED

#### 3.1. CURRENT SITUATION OF THE ROLE OF THE STATE IN THE DEVELOPMENT OF THE CIRCULAR ECONOMY IN VIETNAM AT PRESENT

##### 3.1.1. Achievements attained

###### *3.1.1.1. Achievements in the State's formulation and improvement of the legal and policy framework for the development of the CE*

- (1) The group of laws and policies related to waste management (including waste classification, collection, recycling, reuse, and treatment).
- (2) The group of laws and policies related to the exploitation and efficient, economical use of natural resources.
- (3) The group of laws and policies related to the development and use of renewable energy and materials.
- (4) The group of laws and policies that directly address the development of the circular economy.

###### *3.1.1.2 Achievements in organizing the implementation of laws and policies on the development of the circular economy*

*First*, the State has established administrative and institutional apparatuses to implement the tasks of the development of the circular economy.

*Second*, the State has oriented, encouraged, and supported enterprises and citizens to participate in CE development models.

*Third*, the State has organized communication and awareness-raising activities for society as a whole regarding CE development and sustainable consumption.

###### *3.1.1.3 Achievements in State investment in finance, science - technology, and in inspection, supervision, and evaluation of CE implementation*

The inspection, supervision, and evaluation of CE development in Vietnam are currently based on the 2020 Law on EP, Decree No.

08/2022/NĐ-CP, along with the general inspection and supervision procedures of the Party and the State. In practice, the role of the State in monitoring and evaluating the impacts of CE development has been implemented in recent years. Specifically, manufacturing and importing enterprises are required to report on their recycling and waste treatment activities, which are compiled and disclosed by the Ministry of Natural Resources and Environment. Major localities such as Hanoi, Ho Chi Minh City, and Binh Duong have implemented CE models in waste management, under the supervision of provincial Departments of Natural Resources and Environment. Reports by the Ministry of Planning and Investment and the Ministry of Natural Resources and Environment indicate that CE development in Vietnam remains at an initial stage; monitoring activities are mainly based on environmental criteria (emission reduction, waste treatment), and a comprehensive system of CE indicators has yet to be established.

### **3.1.2. Causes of the achievements**

*First*, the legal and policy framework for CE development has been relatively clear, timely, and fairly coherent.

*Second*, the Vietnamese State has actively implemented international commitments and responded to pressures arising from international integration.

*Third*, Vietnamese enterprises have increasingly participated in CE development through various models of recycling, energy efficiency, and cleaner production.

*Fourth*, the active application of science and technology has served as a key driving force enabling initial successes in Vietnam's CE development, ranging from recycling and renewable energy to digital technologies.

*Fifth*, the role of communication and the growing awareness of the community regarding CE development.

### **3.1.3. Existing limitations**

*First*, limitations in the formulation and improvement of the legal and policy framework related to CE development.

*Second*, limitations in organizing the implementation of laws and policies on CE development.

*Third*, limitations in the application of science - technology, innovation, and the capacity for inspection, supervision, and evaluation against CE standards and objectives.

### **3.1.4. Causes of the Limitations**

*First*, the CE is still a relatively new economic model in Vietnam; therefore, awareness and understanding among state agencies at different levels, sectors, enterprises, and the public remain limited.

*Second*, CE development requires fundamental changes in mindset, production and consumption patterns, as well as substantial financial, technological, and human resources; however, Vietnam has not yet been able to complete this transformation or mobilize adequate resources in a timely manner.

*Third*, the state management apparatus related to CE development remains fragmented across different sectors and agencies, resulting in overlaps, lack of coordination, and reduced effectiveness in policy implementation.

## **3.2. ISSUES ARISING FROM THE ROLE OF THE STATE IN THE DEVELOPMENT OF THE CIRCULAR ECONOMY IN VIETNAM AT PRESENT**

### **3.2.1. The contradiction between the requirement for the State to provide a comprehensive legal framework for the development of the circular economy and the reality of an incomplete and incoherent legal and policy system**

In Vietnam, although a legal mechanism to promote CE development has been gradually established and continues to be developed, there is still no specialized law governing CE development. At the same time, the policy and legal framework for CE development is still in the early stages of formulation and remains incomplete. Several policy instruments lack coherence and consistency, limiting their effectiveness in regulating the behavior of economic actors in the exploitation and use of resources in a transparent, equitable, economical, efficient, and sustainable manner. Moreover, the existing legal and policy framework has not yet created sufficient financial pressure or incentives to promote technological innovation and enhance the social responsibility of enterprises and consumers in achieving the objectives of the CE.

### **3.2.2. The contradiction between the requirement for the State to effectively implement circular economy development policies and the current limitations in policy implementation**

At present, Vietnam has not established a specialized state agency exclusively responsible for CE development; this has led to fragmented policy implementation and a lack of unified coordination. Activities related to the CE are mainly integrated into green growth, environmental protection, or sustainable development strategies; however, there is still no central authority with comprehensive responsibility. The absence of a

dedicated institutional apparatus has resulted in a lack of coherence in the issuance of legal frameworks, the supervision of implementation, and the provision of support to enterprises and citizens, thereby leading to limited effectiveness in the transition process.

### **3.2.3. The contradiction between the requirement for State investment in finance, science, technology, and inspection, supervision, and evaluation of CE development and the reality of persistent constraints**

The contradiction between the requirement for the State to invest financial resources in the CE and the current financial constraints constitutes a major bottleneck, as the CE is an inevitable pathway toward achieving the goals of sustainable development and Net Zero by 2050.

## **CHAPTER 3 SUMMARY**

In implementing the Party's guidelines and orientations on the development of the CE, which were clearly articulated from the XII National Congress, the State has played its management role through the promulgation of a system of legal documents, while also organizing implementation, inspection, and supervision of the application of these regulations in state management of the CE in Vietnam.

As a result, state management in this field has achieved notable initial outcomes, particularly in core areas such as reducing the exploitation of input materials and fuels; extending product life cycles through production, exchange, consumption, and service provision; and controlling and minimizing waste generation, thereby contributing to pollution reduction and the mitigation of negative environmental impacts.

## **CHAPTER 4**

### **FUNDAMENTAL SOLUTIONS TO PROMOTE THE ROLE OF THE STATE IN THE DEVELOPMENT OF THE CE IN VIETNAM AT PRESENT**

#### **4.1. GROUP OF SOLUTIONS CONCERNING THE ROLE OF THE STATE IN BUILDING AND IMPROVING THE LEGAL SYSTEM FOR THE DEVELOPMENT OF THE CIRCULAR ECONOMY**

##### **4.1.1. Issuing a Party resolution on the development of the CE**

The development of the CE must begin with identifying guiding

viewpoints and orientations and establishing an institutional framework for the CE. Therefore, first and foremost, the Central Committee of the Communist Party of Vietnam in its XIII, XIV terms should promulgate a specialized resolution on CE development. Such a specialized resolution would affirm the Party's leadership role in orienting the development of the CE. At the same time, it would help unify awareness throughout the entire political system, from the central level to local authorities. Based on the Party's guidelines and orientations, the State would institutionalize them into a comprehensive legal system for CE development. A specialized resolution on CE development would serve as a foundation for the formulation of a CE Law, the promulgation of national standards, and the establishment of green financial mechanisms. On the basis of the legal framework enacted by the National Assembly, the State would issue decrees, strategies, and plans for CE development. This would provide a basis for ministries, sectors, and localities to formulate and integrate CE development objectives into their respective socio-economic development strategies within their areas of management.

#### **4.1.2 Reviewing and supplementing the system of policies, laws, planning, and plans for the development of the CE in Vietnam**

The State needs to conduct a comprehensive review of the existing system of policies, laws, planning, and plans related to CE development in Vietnam. Through this process, shortcomings, gaps, and inconsistencies in the legal and policy framework for CE development can be identified. To overcome the current situation in which the legal and policy system for CE development in Vietnam remains incomplete and insufficiently coherent, it is necessary to implement a series of strategic solutions closely linked to practical implementation conditions.

#### **4.1.3 Innovating the process of formulating policies and laws on the development of the CE**

Innovating the process of formulating policies and laws on circular economy development based on guiding principles, shifting from a “post-management” mindset to a “design-first” approach, with the product–material life cycle as the central axis, while using data and market mechanisms to promote compliance. The legislative and policy-making process should be evidence-based.

### **4.2. GROUP OF SOLUTIONS TO ENHANCE THE ROLE OF THE STATE IN IMPLEMENTING THE LEGAL FRAMEWORK FOR THE DEVELOPMENT OF THE CE**

#### **4.2.1. Establishing a unified, professional, dynamic, and effective State apparatus to implement the tasks of the development of the CE**

*First*, it is necessary to establish a central coordinating body specialized in CE development.

*Second*, mechanisms for inter-sectoral and inter-level coordination in the implementation of CE development should be improved.

*Third*, the capacity of state management personnel in the field of CE development should be strengthened.

#### **4.2.2 The State provides orientation, encouragement, and support for enterprises and citizens to participate in the development of CE models**

To enable Vietnamese enterprises to shift from a linear economic model (“extract – produce – dispose”) to a CE model, the State needs to play the role of a “guide” by implementing comprehensive and coordinated solutions in terms of legal frameworks, financial mechanisms, infrastructure, and communication. Specifically:

*First*, the State should complete and improve the legal framework for CE development.

*Second*, preferential mechanisms and support policies should be introduced for CE enterprises, including tax incentives, land-use incentives, and green credit for enterprises investing in circular technologies.

*Third*, the State should support the development of infrastructure and a green, circular, and sustainable ecosystem.

*Fourth*, the State should identify and orient key sectors to guide enterprises and economic actors in green transformation and the transition to CE models.

*Fifth*, the capacity of CE enterprises should be enhanced through training and consultancy programs on circular design and life cycle assessment (LCA). Enterprises should also be supported in developing ESG/ CE reports to enhance transparency for investors. Green innovation and the development of circular start-ups should be encouraged.

*Sixth*, communication activities should be strengthened to promote changes in production and consumption behavior. The economic benefits of the CE should be widely disseminated so that enterprises perceive CE practices as business opportunities rather than merely compliance obligations.

### **4.2.3. Organizing Communication and Mobilization of Economic Actors and Promoting Sustainable Consumption among the Public**

The State can only effectively fulfill its role in developing the CE if civil servants and public officials, as well as social actors, possess a full and in-depth understanding of the nature and role of the CE, together with consensus in action, thereby contributing to the effective implementation of the system of policies, laws, programs, and plans.

*First*, CE education should be integrated into the education system.

*Second*, a general measure to enhance awareness of the CE among relevant actors is public communication and dissemination.

### **4.3. GROUP OF SOLUTIONS TO PROMOTE THE ROLE OF THE STATE IN FINANCIAL INVESTMENT, SCIENCE - TECHNOLOGY, AND IN ORGANIZING INSPECTION, SUPERVISION, AND EVALUATION OF THE DEVELOPMENT OF THE CE**

#### **4.3.1. The State increases financial investment in the development of the CE**

*First*, the State should improve financial policies and investment mechanisms for CE development.

*Second*, international resources should be mobilized, and opportunities arising from free trade agreements (EVFTA, CPTPP) should be fully utilized: These agreements impose ecological standards while simultaneously creating opportunities to access international capital for CE projects.

*Third*, developing the CE market and value chains. Developing the carbon credit market (the carbon credit market is a financial mechanism that helps regulate the amount of greenhouse gases emitted into the atmosphere through the trading of carbon credits).

*Fourth*, enhancing the capacity of enterprises and communities. Training and communication, investment in human resource training for the CE, and raising community awareness.

#### **4.3.2. The State strengthens investment in science - technology and innovation for the development of the CE**

*First*, the State should improve policy frameworks and strategies, particularly the national strategy for circular science and technology development.

*Second*, investment should be made in research infrastructure and the transfer of circular technologies. The State should establish specialized research institutes on the CE and promote linkages among universities and enterprises.

*Third*, financial support should be provided for circular innovation through the establishment of green innovation funds.

*Fourth*, high-quality human resources should be developed to meet the demands of CE development.

*Fifth*, Promoting international cooperation to enable Vietnam to participate in global research networks on the circular economy, and strengthening linkages with EU Horizon Europe as well as the innovation programs of ADB, WB in CE development.

#### **4.3.3. Promoting the role of the State in Inspecting and Evaluating CE Development Policies in Vietnam**

*First*, developing scientific and effective plans for inspecting and evaluating circular economy development policies in Vietnam at present.

*Second*, applying scientific and effective methods for inspecting and evaluating circular economy development policies in Vietnam at present.

*Third*, conducting inspection and evaluation through direct working sessions with the agencies subject to inspection.

*Fourth*, developing a set of criteria for inspecting and evaluating circular economy development policies in Vietnam at present.

### **CHAPTER 4 SUMMARY**

Chapter 4 identifies 3 key groups of solutions for enhancing the role of the State in the development of the CE in Vietnam at present. To improve the system of policies, laws, planning, and plans CE development toward 2030 with a vision to 2045, it is necessary to: review the current system of policies, laws, planning, and plans on CE development in Vietnam; review legal documents and international conventions on CE development, identifying commitments that Vietnam has fulfilled and those that have not yet been implemented in order to supplement and improve them; and supplement policies, laws, planning, and plans on CE development that remain lacking,

incomplete, or inconsistent, particularly the CE Law.

## **CONCLUSION**

The CE is an economic model operating in a closed-loop system, in which production, exchange, consumption, and service provision activities are organized to minimize the extraction of raw materials and energy, extend product life cycles, and reduce waste generation, thereby limiting pollution and negative environmental impacts. At the same time, this model creates momentum for innovation, enhances labor productivity, and moves toward three pillars of development: economic prosperity, environmental sustainability, and social equity.

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