

HO CHI MINH NATIONAL ACADEMY OF POLITICS

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**THE ROLE OF THE STATE IN THE DEVELOPMENT
OF A CIRCULAR ECONOMY IN VIETNAM NOWADAYS**

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INTRODUCTION

1. Reasons for choosing the topic

In the context of a world facing increasing pressure from resource depletion, environmental pollution, and climate change, the shift from a linear economic model of "extraction - production - consumption - disposal" to a circular economy model has become an inevitable trend for sustainable development.

Vietnam, with its goal of green growth and harmonious development between economy, society, and environment, is actively approaching this model as a strategic solution to improve resource efficiency, reduce emissions, and create momentum for innovation. In this process, the State plays a particularly important role – both as the entity that formulates institutions, policies, and development orientations, and as the coordinator, supervisor, and creator of a favorable environment for economic entities to participate.

In the current context, Vietnam faces the urgent need to transform its growth model towards green, circular, and low-emission practices in order to fulfill its commitment to achieving net-zero emissions by 2050. A key issue is the need to improve institutions, innovate management mechanisms, strengthen inter-sectoral coordination, and mobilize social resources. Therefore, the state needs to further enhance its role in creating, regulating, and leading the circular economy to become the central driving force of sustainable development in Vietnam. Consequently, researching, analyzing, and clarifying "The Role of the State in the Development of the Circular Economy in Vietnam Nowadays" is extremely necessary and has profound theoretical and practical significance.

2. Research Objectives and Tasks

2.1. Objectives

This dissertation clarifies several theoretical issues regarding the role of the State in the development of the circular economy in Vietnam; analyzes and evaluates the current situation and points out some problems arising from the current state of the State's role in the development of Vietnam's circular economy; and from there, the dissertation proposes some basic solutions to enhance the role of the State in the development of the circular economy in Vietnam up to 2030 and with a vision to 2045.

2.2. Tasks

- Overview of research related to the dissertation topic, summarizing the value of existing works and identifies areas for further research.
- The dissertation clarifies several theoretical issues regarding the role of the state in the development of the circular economy in Vietnam.
- The dissertation analyzes the current situation and identifies some issues arising from the current state's role in the development of the circular economy in Vietnam.
- Propose some basic solutions to enhance the role of the state in the development of the circular economy in Vietnam's development plan up to 2030 and vision for 2045.

3. Research Subject and Scopes

3.1. Research Subject

The research subject of this dissertation is the role of the state in the development of the circular economy in Vietnam nowadays.

3.2. Scopes of the research

- *Regarding the research content:* The dissertation focuses on studying several basic aspects of the state's role in the development of the circular economy, as follows: the state's role in building and perfecting the legal system for the development of the circular economy; the state's role in implementing the provisions of the legal system on the development of the circular economy; and the state's role in financial investment, science and technology, and in

organizing the inspection, supervision, and evaluation of the implementation of the circular economy.

- *Regarding the research scope:* the role of the State in the development of the circular economy in Vietnam.

- *Regarding timeframe:* The dissertation utilizes research data from the period of implementing the Circular Economy from 2016 (12th Party Congress) to the present, proposing solutions up to 2030 and a vision for 2045.

4. Theoretical basis and research methods

4.1. Theoretical basis

The dissertation utilizes the theoretical and methodological foundations of Marxism-Leninism regarding the relationship between the infrastructure and the superstructure, the state, the class function and social function of the state; the role of the state in economic development and environmental protection; the relationship between humans and nature and the environment; and the role of the environment in the existence and development of humans and society.

The dissertation utilizes Ho Chi Minh's thought on the relationship between humans and the environment; on the state and its role in socio-economic development; the Party's viewpoints, policies, guidelines, and the State's laws on economic management and administration; and the policies and solutions for developing the circular economy in Vietnam in the current period. Simultaneously, the dissertation also employs the theoretical and methodological foundations of other economists and thinkers, as well as theories on the role of the state in managing and administering the economy in general, and in the development of the circular economy in particular.

4.2. Research Methods

The dissertation employs the methodology of dialectical materialism and historical materialism; specific and interdisciplinary methods: analysis and synthesis; methods of reading and analyzing documents; methods of observation and comparison; methods of deduction and induction; generalization and abstraction; logic and history.

Logical and historical methods: The logical method is used to analyze and interpret the dialectical relationship between the role of the state and the development of the circular economy. Simultaneously, the historical method is used to study the process of formation and development of the circular economy through various stages.

Analytical and synthetic method: Conduct in-depth analysis of theoretical documents on the role of the state in the development of the circular economy; and guiding documents of the Party and State on the role of the state in the development of the circular economy. Based on this, synthesize the results of the analysis to propose solutions to enhance the role of the state in the development of the circular economy.

Generalization and abstraction methods: Used to synthesize relevant studies, build a system of conceptual tools, and clarify the central concept of the dissertation. This process also helps to abstract the factors affecting the role of the state in the development of the circular economy, providing a scientific basis for assessing the current situation and proposing feasible solutions.

Comparative method: Comparing data collected over the years and across different businesses aims to highlight the current state of the state's role in the development of the circular economy, clearly identifying achievements, limitations, and challenges as a basis for determining influencing factors and proposing appropriate solutions.

5. New Contributions of the Dissertation

The dissertation provides a deeper understanding of the fundamental concepts

regarding the role of the State in the development of the circular economy in Vietnam, serving as the theoretical basis for implementing the dissertation's objectives and tasks. It analyzes the current state of the State's role in the development of the circular economy in Vietnam from 2016 to the present, highlighting some basic achievements, existing limitations, causes, and emerging issues. Simultaneously, it proposes several fundamental and feasible solutions to enhance the State's role in the development of the circular economy in Vietnam by 2030 and a vision to 2045.

6. Theoretical and practical significance

6.1. Theoretical significance

The dissertation is a scientific product aimed at providing further theoretical and practical basis for the role of the state in the development of the circular economy in Vietnam nowadays. The topic serves as a reference for policymakers to improve policies on the circular economy.

6.2. Practical significance

The completed dissertation will serve as a valuable reference, providing useful solutions to enhance the role of the state in general, and the state's role in the development of the circular economy in particular. Implementing the solutions presented in the dissertation will contribute to improving Vietnam's national governance position and capacity in the global trend of sustainable development; especially in the context of Vietnam's pursuit of sustainable development and its fulfillment of international commitments on emission reduction and environmental protection. The dissertation can also serve as a reference for those interested in researching related issues.

7. Structure of the Dissertation

Besides the introduction, conclusion, and bibliography, the dissertation consists of 4 chapters and 10 sections, including the author's published scientific works related to the dissertation topic.

Chapter 1

OVERVIEW OF THE RESEARCH SITUATION RELATED TO THE DISSERTATION TOPIC

1.1. OVERVIEW OF SCIENTIFIC WORKS RELATED TO THE DISSERTATION TOPIC

The dissertation conducts a review of three groups of published domestic and foreign literature 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 the circular economy

The research process reveals that studies related to the role of the state and the circular economy are relevant. In particular, when discussing the role of the state, the authors all affirm that the state plays a key role in the development of the circular economy. For the Party's guidelines, viewpoints, and guiding ideology to become a reality in the development of the circular economy, they must be institutionalized into law and implemented by the state. Furthermore, the dissertation also provides an overview of research on the circular economy. Both domestic and international studies on the circular economy generally conclude that it is an economic model aimed at efficient and economical resource utilization, waste recycling, environmental protection, and economic efficiency.

1.1.2. Some research works related to the theory of the role of the state in the development of the circular economy in Vietnam nowadays

Through the review of relevant documents, it is evident that the State plays a regulatory, guiding, and selective role in economic models; the State develops and refines economic development programs and plans; and the State perfects institutions to create a fair, transparent, and healthy competitive environment among economic sectors. However, the Vietnamese State still exhibits many weaknesses in its management process. Furthermore, research on the current state of circular economy development in Vietnam also shows that some circular economy models have been applied in production and business, including agriculture, industry, and handicrafts, in many localities across the country. To develop the circular economy, the Vietnamese government has: concretized the Party's guidelines, built policies and laws related to the development of the circular economy, including: the Environmental Protection Law of 2005 and 2015, the Mineral Law of 2010, the Water Resources Law of 2012, the Land Law of 2013, and many subordinate legal documents. The draft revised Environmental Protection Law of 2020 officially addresses the concept and regulations on the circular economy. However, the Vietnamese legal system regarding the development of the circular economy is not yet unified and there is no separate law specifically for the development of the circular economy.

1.1.3. Some research studies related to solutions for enhancing the role of the state in the development of the circular economy in Vietnam

In an overview of works related to solutions for enhancing the role of the state, the authors emphasize that the state needs to continue supplementing and perfecting the legal system; strengthening state inspection and supervision; focusing on the management and use of the state budget; and continuing to implement and improve administrative reform. The works affirm the need to build a clear legal framework; conduct more in-depth research on the circular economy; expand implementation; strengthen the exchange and learning of international experience; establish a roadmap and priorities based on market needs and societal demands; and summarize and evaluate established models. Furthermore, it is necessary to raise awareness among state management agencies about the circular economy in agriculture; create incentives for localities, businesses, and farmers to invest in circular agriculture; improve the capacity for recycling and reusing agricultural by-products and waste; and build a legal framework and standardize the circular economy in agriculture.

1.2. THE VALUE OF PREVIOUS WORKS THAT HAVE BEEN REVIEWED AND ISSUES REQUIRING FURTHER RESEARCH IN THIS DISSERTATION

1.2.1. The value of the previous works that have been reviewed

Firstly, generally speaking, studies on the role of the state agree that the state is both the entity that promulgates the Constitution and laws to build and develop the socio-economic system; the state develops strategies, programs, plans, and the apparatus to implement its socio-economic development strategies, programs, and plans; and the state monitors, supervises, summarizes, evaluates, supplements, and adjusts the goals and plans for implementing socio-economic development strategies, programs, and plans in specific historical periods.

Secondly, the studies have highlighted the current state of circular economy development in Vietnam. They also provide indepth analysis of the opportunities and challenges facing Vietnam in developing a circular economy, and emphasize the necessity of developing a circular economy in Vietnam within the context of digital transformation.

Thirdly, some studies have offered feasible solutions and recommendations for enhancing the effective role of the state in socio-economic development; solutions for developing a circular economy in general, and solutions for developing a circular economy in specific sectors and localities.

1.2.2. Issues to be raised for further research in the dissertation

Theoretically, the dissertation will clarify the theory of the state's role in the development of the circular economy; the relationship between the state and the development of the circular economy; the importance of the development of the circular economy in Vietnam nowadays; the basic content of the state's role in the development of the circular economy; and some factors affecting the state's role in the development of the circular economy in Vietnam.

In terms of current situation: The dissertation has identified the current state of the role of the state in the development of the circular economy in Vietnam over the past period through a survey of the following aspects: the state concretizing the Party's Resolution into law and building strategies, plans, and programs for the development of the circular economy; the state implementing policies, laws, strategies, and plans related to the development of the circular economy; the state investing in finance, science and technology, innovation, and monitoring, supervising, and evaluating the implementation of state policies, laws, strategies, and plans for the development of the circular economy. The dissertation points out the achievements and limitations; the causes of the achievements and limitations; and some issues arising from the current state of the state's role in the development of the circular economy in Vietnam.

Regarding solutions: The dissertation proposes several groups of solutions, namely: Solutions for improving the current system of policies, laws, plans, and programs for the development of the circular economy; Solutions for organizing the implementation and enforcement of the current system of policies, laws, plans, and programs for the development of the circular economy; Enhancing the role of the State in investing resources, especially financial resources, scientific and technological resources, and in monitoring and evaluating policies for the development of the circular economy in Vietnam; Enhancing the role of the State in international cooperation to develop the circular economy; Strengthening the leadership role of Party committees at all levels in promoting the role of the State in the development of the circular economy.

Chapter 2

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

2.1. SOME BASIC CONCEPTS

2.1.1. Circular economy and circular economy development

2.1.1.1. Circular Economy

Circular economy is an economic model that operates in a closed cycle, in which production, exchange, distribution, and consumption activities limit the exploitation of natural resources, extend the shelf life of products, and minimize waste generation that causes pollution and negative impacts on the environment.

** The fundamental characteristics of the Circular Economy*

Firstly, the circular economy is an economy designed and operated in a closed cycle.

Secondly, the circular economy is applied comprehensively across diverse fields, encompassing all stages of market activity, from design and production to consumption and services.

Thirdly, the circular economy brings fundamental benefits by maximizing the use of resources, including: reducing exploitation and saving raw materials; protecting the environment and reducing negative impacts on the environment; and promoting economic development.

** Content of the Circular Economy*

The core principles of the circular economy are: minimizing waste through limiting resource exploitation and reducing waste generation; reusing resources and extending product lifecycles through multiple reuses; recycling waste by transforming it into raw materials for new production processes; and restoring the environment through the extraction of clean energy or value from used products and materials.

** Key objectives of the Circular Economy*

The goals of the Circular Economy are to reduce pressure on natural resources by maintaining a closed-loop system; reduce environmental pollution through limiting waste and emissions; promote sustainable development in line with global development goals (SDGs); and adapt to climate change by reducing greenhouse gas emissions.

** The significance of the circular economy for the economy, society, and environment*

Economically, the circular economy helps businesses save costs and open up new markets for recycled products.

From a social perspective, the circular economy contributes to creating green jobs, solving unemployment problems, and raising community awareness about sustainable consumption.

From an environmental perspective, the circular economy helps reduce resource exploitation, protect ecosystems, and reduce pollution of the components that make up the environment.

2.1.1.2. Development of the Circular Economy

This dissertation defines the concept of circular economy development as the totality of activities by social entities aimed at expanding scale, value, and economic efficiency based on the economical and efficient use of resources, minimizing waste generation, recycling, using clean energy, and protecting the environment.

In there:

** Stakeholders in the development of the circular economy: the Party, the State, socio-political organizations, businesses, scientists, consumers, and especially the people.*

** Content of circular economy development: exploiting and using resources economically and efficiently; managing, reusing, and recycling waste; using clean energy and renewable materials*

** Methods for developing the circular economy: Raising public awareness and mobilizing support; Guiding, encouraging, and assisting businesses in transforming their circular economy development models; Providing businesses with preferential loans for circular projects; Changing people's consumption behavior.*

2.1.2. The role of the state in the development of a circular economy

2.1.2.1. The role of the state

The dissertation presents related concepts: the role of the state, the role of the state, and the manifestations of the state's role. It also identifies the manifestations of the state's role.

2.1.2.2. The role of the state in the development of a circular economy

The role of the State in the development of the circular economy encompasses the totality of functions, tasks, and powers that the State performs to guide, regulate, support, and supervise socio-economic activities towards resource regeneration, waste reduction, improved efficiency in the use of materials and energy, thereby promoting sustainable growth and environmental protection.

The role of the state in the development of the circular economy stems from: its function of regulating the economy; the necessity of the state's role in environmental protection; and the inherent nature of the socialist rule of law state in Vietnam, which is of the people, by the people, and for the people.

2.2. CONTENT AND ROLE OF THE STATE IN THE DEVELOPMENT OF A CIRCULAR ECONOMY

2.2.1. The State builds and perfects the legal system and policies for the development of a circular development.

Specifically, these policies include: A system of laws and policies related to waste management, from sorting, collection, recycling, reuse, and treatment of waste; A legal system related to the efficient and economical exploitation and use of resources, reducing waste; A legal system and policies on the development and use of renewable energy and materials; A legal system and policies on the development and use of renewable energy and materials; A system of policies for the development of a circular economy; A legal system and policies on the development and use of renewable energy and materials; A system of policies for the development of a circular economy.

2.2.2. The State organizes the implementation of legal regulations and policies for the development of a circular economy

Firstly, establish a state apparatus to implement the goals and tasks of developing the circular economy.

Secondly, the State provides guidance, encouragement, and support to businesses and individuals participating in the circular economy development model.

Thirdly, the State promotes awareness throughout society about the development of the circular economy and sustainable consumption.

2.2.3. The State invests financially, in science and technology, and organizes the inspection, monitoring, and evaluation of the implementation of circular economy development

The state plays a central role in investing in finance and science and technology to promote the development of the circular economy. This is a crucial task to create the material, legal, and intellectual foundation for the transition from a linear economic model to a sustainable circular model. Financial investment aimed at changing production models towards a circular approach will be very costly.

2.3. SOME FACTORS AFFECTING THE ROLE OF THE STATE IN THE DEVELOPMENT OF A CIRCULAR ECONOMY IN VIETNAM

2.3.1. Contemporary context and socio-economic development in the country

2.3.1.1 Contemporary context and international experience

** Contemporary context*

The challenges and opportunities of the era both facilitate and create difficulties in fulfilling the state's role in the development of the circular economy in our country.

** International experience*

In recent years, to reduce the waste of resources from the linear economic model and minimize the impact of environmental pollution, many countries around the world have shifted to the circular economy development model. The success of these models has had a strong impact on the development of Vietnam's circular economy. Examples include the Netherlands, Sweden, China, France, and Japan.

2.3.1.2 Natural and socio-economic conditions in the country

First, natural conditions

Vietnam possesses rich and diverse natural resources, which are favorable conditions for economic development. However, Vietnam's harsh climate and increasingly evident climate change also necessitate a shift from a linear economic model to a circular economy for sustainable development in the future.

Secondly, socio-economic conditions

Vietnam is still in the process of industrialization, with high demand for raw materials and energy. This leads to a large amount of waste from production and consumption, creating pressure to shift to a circular economy model to minimize pollution. GDP growth is relatively stable, but mainly relies on resource exploitation and cheap labor. While Vietnam has participated in free trade agreements (FTAs, CPTPP, EVFTA) requiring products to meet environmental standards, this encourages Vietnam to adopt a circular economy to maintain its competitive advantage. Vietnamese businesses are predominantly small and medium-sized enterprises (SMEs), accounting for over 90%, but their financial and technological capabilities are limited. State-owned enterprises play a role in key sectors (energy, infrastructure) but their efficiency is not high. This necessitates the government playing a supporting role in terms of capital, technology, and encouraging public-private partnerships to implement the circular economy model.

2.3.2. Legal system, policies and institutions for managing the circular economy

The legal system, policies, and management institutions play a pivotal role in the development of the circular economy, as they create the legal framework, strategic direction, and enforcement mechanisms for businesses and communities to participate in a green and sustainable growth model. Therefore, the legal system needs to create a clear legal framework. The 2020 Environmental Protection Law, for the first time, introduced the concept of the circular economy into regulations, requiring businesses to fulfill extended producer responsibility (EPR). Legal regulations compel businesses to sort waste, recycle, and reduce emissions, instead of merely encouraging voluntary participation. The law helps balance economic benefits and environmental protection, preventing businesses from prioritizing profit over social responsibility.

The role of the policy system must be comprehensive, clear, and closely aligned with the country's development realities. This includes tax policies, green credit, and capital support for businesses investing in recycling technology and clean energy. There should also be preferential policies for startups in the recycling sector and sustainable product design. Openness and integration policies should help Vietnam access circular technologies from the EU, Japan, and the Netherlands.

The management system, from central to local levels, ensures that laws and policies are implemented synchronously. State management agencies are responsible for supervising waste sorting, recycling, and waste treatment, avoiding the situation of "laws on paper." The circular economy involves many sectors (energy, industry, agriculture, urban areas), so the management system must coordinate across sectors to achieve effectiveness. The management system also plays a role in communicating and educating the community about green consumption and waste sorting at source.

2.3.3 Level of scientific and technological development and innovation

The development of a circular economy requires solutions to limit resource exploitation, conserve raw materials, efficiently utilize resources and energy, collect and recycle waste, and use waste from previous production processes as raw materials for subsequent production processes. Accordingly, it requires the development of modern production tools, new scientific and technical solutions, and the convenient sharing of means of production. All of these require the development of science, innovation, the utilization of achievements of the Fourth Industrial Revolution, and digital and green transformation. These requirements necessitate the development of science and technology, which in turn develops the productive forces.

The achievements of the Fourth Technology Revolution and the digital transformation revolution in Vietnam are currently creating favorable conditions for shifting the economic model towards the development of a circular economy. The achievements of the Fourth

Technology Revolution allow scientists to research and develop new environmentally friendly, energy-efficient production technologies such as wind power, solar power, and hydropower. Therefore, the development of science and technology and innovation in the process of developing a circular economy is essential.

Simultaneously, the level of economic infrastructure will impact the material and financial strength that enables the State to effectively address cultural, political, security, defense, and environmental issues in the development of a circular economy. Furthermore, the level of economic development also influences the construction and improvement of e-government; the enhancement of the skills of officials and civil servants; public investment; administrative reform; the capacity to build and refine the system of policies, laws, and planning; the ability to organize implementation and monitor the process; and the handling of negative issues arising during the development of a circular economy by our State.

Furthermore, the process of accelerating industrialization and modernization of the country, along with the implementation of a socialist-oriented market economy model in the context of economic globalization and the Fourth Industrial Revolution, is also a direct economic factor strongly influencing the role of the State in developing a circular economy in Vietnam nowadays.

2.3.4 Awareness and implementation capacity of subjects

That is the awareness and capacity of the political system, businesses, consumers, and society as a whole. In this context, the Communist Party of Vietnam, as the ruling party, comprehensively leads all aspects of socio-economic life, with economic development playing a central and decisive role in the country's progress.

The Vietnamese State holds a particularly important position and role in the development of the circular economy. The State institutionalizes the Party's guidelines and policies into the Constitution, laws, and policies as tools for managing all aspects of social life, including the economy. To develop the circular economy, the State needs financial resources and other resources such as human resources, science and technology, the Fourth Industrial Revolution to support and assist its development, such as: modernizing production lines; developing communication strategies; training human resources; conducting scientific and technological research to adapt to climate change; piloting circular economy models; developing waste recycling processes; investing in the development of clean, green, and renewable energy, etc. If the State has abundant resources, promoting the development of the circular economy will be much easier.

The state management apparatus directly responsible for organizing and developing the circular economy is the basis for determining the success or failure of the circular economy development process. Therefore, building the organizational structure for implementing the circular economy is extremely important.

The state apparatus responsible for developing the circular economy plays a guiding, coordinating, and facilitating role in creating a favorable environment for businesses and citizens to participate in the transformation process. State management agencies are responsible for developing legal frameworks, strategies, and policies to promote sustainable production and consumption, while also issuing preferential mechanisms regarding finance, taxation, and green credit for businesses. Furthermore, the specialized apparatus also undertakes the role of monitoring, inspecting, and evaluating the effectiveness of implementation, ensuring that circular activities are carried out in the right direction. More importantly, the state acts as a bridge in mobilizing international resources, transferring technology, training human resources, and raising public awareness, thereby forming a synchronized circular economy ecosystem that contributes to achieving national green growth and sustainable development goals.

In the state apparatus, the quality and competence of the management staff are of decisive importance. They are the ones who advise on the development of policies, laws, plans, and projects for the development of the circular economy, and organize the implementation of those policies and laws. Political and social organizations cooperate with the Party and Government to implement the development of the circular economy. Accordingly, political and social organizations organize propaganda and raise awareness (the Youth Union mobilizes young people to sort waste, the Women's Union promotes the non-use of plastic bags, etc.); they provide feedback and participate in policy making (the Fatherland Front provides feedback on draft laws on environmental protection and natural resources, etc.); businesses play a leading role in designing, producing, and managing supply chains towards a circular economy, while consumers are the driving force through sustainable consumption behavior, choosing green products, and participating in recycling. Therefore, businesses need to shift their mindset from "produce - consume - dispose" to "design - use - recycle," investing in energy-saving technologies, reducing emissions, and utilizing recycled materials. For example, designing products that are easy to disassemble, repair, and recycle. Accordingly, circular economy businesses require financial resources and human resources – qualified scientists with innovative and creative thinking. However, businesses in Vietnam are mainly small and medium-sized. These are the difficulties in implementing the development of the circular economy if there is no support from the government, from finance to science, technology, and digital transformation.

The development of the digital economy also depends on consumer factors. Consumer behavior is identified as one of the powerful driving forces.

Chapter 3

THE ROLE OF THE STATE IN THE DEVELOPMENT OF CIRCULAR ECONOMY IN VIETNAM NOWADAYS - CURRENT SITUATION AND SOME ISSUES ARISE

3.1. THE CURRENT SITUATION REGARDING THE ROLE OF THE STATE IN THE DEVELOPMENT OF A CIRCULAR ECONOMY IN VIETNAM NOWADAYS

3.1.1. Some achievements have been made

3.1.1.1. The State's achievements include building and perfecting the legal and policy system related to the development of the circular economy.

Firstly, within the group of laws and policies related to waste management (waste classification, collection, recycling, reuse, and treatment), the dissertation has compiled and pointed out new points in legal documents. The highest-level state document on waste management is the 2020 Environmental Protection Law. This is a foundational document, comprehensively regulating waste management, from source classification, collection, transportation, and treatment to the responsibilities of organizations and individuals. To concretize the Law, the Vietnamese Government has issued decrees: Decree 08/2022/ND-CP: Detailing some articles of the 2020 Environmental Protection Law, including the management of household solid waste, industrial waste, and hazardous waste; Decree 45/2022/ND-CP (issued on July 7, 2022, effective from August 25, 2022) is a document regulating administrative penalties for violations in the field of environmental protection, replacing Decree 155/2016/ND-CP and Decree 55/2021/ND-CP; Decree 06/2022/ND-CP provides detailed regulations on greenhouse gas emission reduction and ozone layer protection, applicable to organizations and individuals involved in greenhouse gas emission reduction, emission

mitigation, carbon market development, and management of ozone-depleting substances. The Decree does not directly address the circular economy, but its contents are geared towards the goals of developing a circular economy.

To further elaborate on the Decree, the ministries have issued circulars including: Circular 02/2022/TT-BTNMT: Detailed regulations on hazardous waste management, registration of waste generators, and licensing of hazardous waste treatment; Circular 01/2021/TT-BXD: Regulations on the management of construction solid waste; Circular 10/2021/TT-BTNMT: Technical guidance on the classification, collection, and treatment of household solid waste.

In addition, the researcher also pointed out in the Policy Group related to waste management, other legal documents: The Prime Minister issued Directive No. 33/CT-TTg on strengthening the management, reuse, recycling, treatment and reduction of plastic waste. The main goal of the Directive is: “Minimize the generation of plastic waste, especially single-use plastics and non-biodegradable plastic bags; Strengthen the reuse and recycling of plastic waste to protect the environment and public health. Raise awareness and responsibility of the whole society in managing plastic waste”; National Action Plan on Sustainable Production and Consumption 2021-2030 (Decision 889/QĐ-TTg dated June 24, 2020). The plan aims to promote cleaner production models, sustainable consumption, reduce waste, improve resource efficiency and move towards the circular economy.

Secondly, the group of laws and policies related to the efficient and economical exploitation and use of resources.

- The group of laws

Article 4 of the 2020 Environmental Protection Law stipulates that environmental protection is the right, obligation, and responsibility of all organizations and individuals. Therefore, all activities of exploiting and using resources must be linked to environmental protection responsibilities; the exploitation and use of natural resources must be rational and economical. Therefore, indiscriminate exploitation should be avoided; efficiency must be calculated to prevent waste and resource degradation; biodiversity and natural heritage must be conserved. Thus, resource exploitation must go hand in hand with the protection of ecosystems, endangered and rare species. Resource exploitation must ensure a balance between economic development, social welfare, and environmental protection. These principles form the foundation for developing specific policies on land, water, minerals, forests, and energy. Simultaneously, it encourages recycling, reuse, waste reduction, linking resource exploitation to the product life cycle, and promoting the circular economy.

The 2010 Mineral Law (amended and supplemented in 2018) comprehensively regulates the management of mineral exploration, exploitation, and utilization; it also requires organizations and individuals engaged in mining to contribute to the environmental remediation and restoration fund to ensure sustainable development. The principle of mineral management is: minerals belong to the entire people and are managed uniformly by the State. Exploitation must be rational, economical, efficient, and linked to environmental protection and sustainable development. Priority is given to the use of domestic minerals for socio-economic development needs, while limiting the export of raw materials. The significance of the Law is to prevent indiscriminate and wasteful exploitation of resources. It ensures environmental restoration after mining, minimizing negative impacts on ecosystems and communities. It increases transparency in licensing and management of mining through auction mechanisms. It promotes deep processing and the circular economy, enhancing the value of mineral resources.

The 2012 Water Resources Law has been comprehensively amended and supplemented by Law No. 28/2023/QH15 (2023 Water Resources Law), effective from July 1, 2024. The new

law consists of 10 chapters and 86 articles, focusing on integrated management, protection, exploitation and sustainable use of water resources. Important new points of this law are integrated water resource management according to river basins; clearly defining responsibilities for protecting surface water, groundwater, and coastal water; controlling pollution and degradation of water sources; water exploitation and use must be licensed, transparent, prioritized for essential needs (domestic use, disaster prevention), and encourage water conservation and reuse. The law has added regulations on responding to climate change, drought, floods, and saltwater intrusion. The law stipulates the collection of fees for exploitation rights, service fees, and a mechanism for reinvestment in water resource protection. In particular, since Vietnam's water resources are primarily sourced from abroad, this Law has strengthened coordinated management of transboundary water resources and international river basins.

In addition, there are several laws related to the efficient and economical exploitation and use of resources, including: the Forestry Law 2017, which regulates the management, protection, and development of forests, and the sustainable exploitation of timber and forest products; the Land Law 2013 (amended 2024), which regulates the economical and efficient use of land and prevents waste; and the Law on Economical and Efficient Energy Use 2010, which encourages the application of energy-saving technologies in production and consumption...

- The group of Strategy, program, and plan

The environmental protection strategy to 2020, with a vision to 2030, is guided by the principle that: “Environmental protection is a vital requirement for humanity, an inseparable part of socio-economic development strategies; development in harmony with nature, environmentally friendly, aiming towards a green economy with low waste and low carbon; prioritizing pollution prevention and control, efficient resource exploitation, and biodiversity conservation; the responsibility of the entire society, from the State and businesses to the people; combined with international cooperation; applying market mechanisms and legal sanctions to improve the effectiveness of environmental management.”

The Marine Resources Strategy to 2030, Vision 2050 (Government Resolution No. 48/NQ-CP, dated April 3, 2023). The strategy emphasizes efficient exploitation, sustainable and equitable use of marine resources linked to socio-economic benefits and environmental protection, national defense and security based on the value of more than 3,260 km of Vietnam's coastline. At the same time, the Law integrates the management of marine resources according to coastal areas, islands, archipelagos and sea areas under Vietnam's sovereignty.

The Transport Development Strategy to 2020, with a vision to 2030, outlines the following perspective: “Developing transport towards modernization, continuously improving quality with reasonable costs, ensuring safety, minimizing environmental pollution, and saving energy; applying advanced transport technologies, especially multimodal transport and logistics.” The National Strategy on Integrated Solid Waste Management to 2025, with a vision to 2050, and the National Action Program on Sustainable Production and Consumption to 2020, with a vision to 2030 (Decision No. 76/QĐ-TTg dated January 11, 2016) aim to change production and consumption models towards resource conservation, emission reduction, promoting a circular economy, and improving the quality of life. The program was launched with the goal of “promoting sustainable production and consumption based on innovation, creativity, practices, and the development of sustainable production and consumption models; boosting sustainable domestic production and consumption; creating stable and green jobs; promoting sustainable lifestyles and improving the quality of life for people; and moving towards the development of a circular economy in Vietnam.”

On October 1, 2021, the Prime Minister signed Decision No. 1658/QD-TTg approving the National Strategy on Green Growth for the period 2021-2030, with a vision to 2050. The goal of the Strategy is to “contribute to promoting the restructuring of the economy associated with the innovation of the growth model to achieve economic prosperity, environmental sustainability and social equity, towards a green economy, carbon neutral and contribute to the goal of limiting the increase in global temperature”. The specific goal of the Strategy is to green economic sectors: “Transform the growth model towards greening economic sectors, apply the circular economy model through the exploitation and use of natural resources and energy efficiently based on science and technology, application of digital technology and digital transformation

- The group of legal systems and policies related to the development of renewable energy and materials.

Resolution No. 70-NQ/TW (Resolution 70) on ensuring national energy security until 2030, with a vision to 2045. In this resolution, efficient and effective energy use and reduction of greenhouse gas emissions are key contents and important pillars in ensuring national energy security and building a sustainable energy sector in Vietnam.

The Electricity Law of 2004 (amended in 2018 and 2024) is a crucial legal framework governing electricity activities in Vietnam, aiming to ensure energy security, develop a competitive electricity market, and promote renewable energy. The law aligns with the Power Development Plan VIII, prioritizing renewable and new energy sources (hydrogen, electricity storage). This forms the foundation for reducing emissions, consistent with the circular economy principle. The law also clearly defines procedures, responsibilities, and prioritizes clean and efficient projects, highlighting key areas for the development of the circular economy. Furthermore, the law encourages investment and provides credit and tax support policies for the development of renewable and new energy sources.

On March 3, 2025, the Government issued Decree No. 58/2025/ND-CP detailing several provisions of the Electricity Law regarding the development of renewable energy and new energy sources. The strategy affirms that priority should be given to the use of biomass energy for electricity production, biogas, biomass pellets for direct use as fuel, and liquid biofuels. The development of solar and wind power will provide electricity to remote and rural areas that currently lack access to electricity.

Resolution No. 55-NQ/TW dated February 11, 2020, of the Politburo on the orientation of Vietnam's national energy development strategy to 2030, with a vision to 2045, affirmed: "Prioritize the use of wind and solar energy for electricity generation; encourage investment in the construction of power plants using urban waste, biomass, and solid waste, in conjunction with environmental protection and the development of a circular economy..."

- The group of policies and laws directly addresses the development of a circular economy.

Decision No. 687/QD-TTg approves the Circular Economy Development Project in Vietnam. The project's viewpoint is: “Proactive development of the circular economy is essential, consistent with trends and requirements for creating breakthroughs in economic recovery and achieving Sustainable Development Goals (SDGs); contributing to promoting economic restructuring associated with modernizing the growth model, enhancing competitiveness and the ability to proactively adapt and withstand external shocks, realizing the National Green Growth Strategy for the period 2021-2030, with a vision to 2050, and ensuring national defense and security.” The overall objective of the Project is: “To develop the circular economy to create momentum for innovation and improve labor productivity, contributing to promoting green growth associated with restructuring the economy, innovating the growth

model towards enhancing efficiency, circular linkages between businesses and economic sectors, improving the competitiveness and resilience of businesses and supply chains against external shocks, in order to contribute to achieving economic prosperity, environmental sustainability and social equity; towards a green, carbon-neutral economy and contributing to the goal of limiting global temperature increase.” The goal is that by 2025, "circular economic projects will initially be implemented and demonstrate economic, social, technological, and environmental effectiveness; contributing to the recovery of renewable resources, reducing energy consumption, increasing the proportion of renewable energy in total primary energy supply, increasing forest cover, increasing waste recycling rates, and increasing the localization rate of agricultural, forestry, aquatic, and industrial export products." By 2030, "circular economic projects will become a major driving force in reducing primary energy consumption, with the capacity to largely or completely meet energy needs based on renewable energy."

Thus, it can be said that the entire content of circular economy development, with all its manifestations from reducing resource consumption to reducing emissions, waste treatment, designing production processes, products, raw materials, fuels, and environmentally friendly materials that are recyclable and renewable, has been given attention and concretized by the Vietnamese State through a system of policies and laws.

3.1.1.2 Achievements in the implementation of legal regulations and policies on circular economy development.

Firstly, the State establishes a mechanism to implement the task of developing a circular economy.

The Vietnamese government has established a mechanism and issued the National Action Plan for the Implementation of the Circular Economy by 2035 (Decision No. 222/QĐ-TTg dated January 23, 2025), approved by the Prime Minister, aiming to build a sustainable production-consumption system and promote the circular economy model. Decision 687/QĐ-TTg of 2022 concerns the Circular Economy Development Project in Vietnam. To organize the implementation of the Project, the Prime Minister has established a mechanism and assigned specific tasks to the following ministries: The Ministry of Natural Resources and Environment is the focal point for waste management, recycling, and environmental protection. The Ministry of Industry and Trade directly implements cleaner production models and promotes technological innovation. The Ministry of Planning and Investment is responsible for integrating the circular economy into socio-economic development strategies. The Ministry of Agriculture and Rural Development is actively applying circular models in agriculture (e.g., reuse of by-products, biomass energy). Local authorities, specifically the People's Committees of provinces and cities, develop concrete plans tailored to the socio-economic characteristics of their respective areas. Businesses and industry associations are identified as the direct implementing forces, through recycling models, circular production, and innovation. International organizations (UNDP, WB, EU) provide technical and financial support and share experiences.

Secondly, the State should guide, encourage, and support businesses and individuals to participate in the circular economy development model.

Through the regulations issued, the State has taken concrete actions to encourage entities to participate in specific models of circular economy development:

The 2020 Environmental Protection Law stipulates the responsibilities of businesses in recycling and waste treatment, promoting cleaner production. Article 54 - Responsibility for recycling products and packaging. Businesses that manufacture or import certain products and packaging (plastics, metals, electronics, vehicles, etc.) must be responsible for recycling according to the rates and standards prescribed by the State. They may also organize recycling

themselves or contribute financially to the Vietnam Environmental Protection Fund. Article 55 - Responsibility for waste treatment. Businesses that manufacture or import products with a risk of pollution (e.g., pesticides, batteries, lubricants, etc.) must organize the recovery and treatment of waste after use. This is an extended producer responsibility (EPR) mechanism. Article 142 - Cleaner production in industry. Businesses are encouraged to apply clean technologies and save energy and raw materials. The government provides information, training, and preferential credit to promote cleaner production.

Based on the State's guidance, encouragement, and support for businesses and individuals to participate in the circular economy development model, the circular economy model has made significant progress in Vietnam in recent years, with typical examples:

Many large pioneering enterprises such as Nestlé, Unilever, Vinamilk, and Sabeco have applied circular models in packaging recycling, reducing plastic waste, and utilizing production by-products. Eco-industrial parks (e.g., Ninh Binh, Can Tho) are experimenting with circular models, sharing energy and raw materials. The "green circular" model in dairy farms is applied by Vietnam Dairy Products Joint Stock Company (Vinamilk) and TH True Milk Group to develop dairy farms in an environmentally friendly direction; the Low Carbon Agriculture Support Project (LCASP), funded by the Asian Development Bank (ADB), took place from June 2013 to June 2019 in 10 (former) provinces, including: Lao Cai, Son La, Phu Tho, Bac Giang, Nam Dinh, Ha Tinh, Binh Dinh, Tien Giang, Ben Tre, and Soc Trang. In agriculture, the VAC (Garden - Pond - Livestock) model has been upgraded to a modern circular model based on utilizing agricultural by-products to produce organic fertilizer and biogas. This model is popular in the Red River Delta and the Mekong Delta; the model of crop cultivation combined with earthworm farming has now been implemented in many localities in Vietnam, notably in Ben Tre (Thanh Thoi A commune, Mo Cay Nam district)...

Thirdly, the State organizes campaigns to raise awareness throughout society about circular economy development and sustainable consumption.

The State plays a crucial role in disseminating information and raising public awareness about the circular economy. Through its legal system, policies, and communication programs, the State not only provides guidance but also creates incentives for communities to change their consumption and production behaviors towards sustainability. Documents such as the 2020 Environmental Protection Law, Decision 687/QĐ-TTg of 2022, and Decision 222/QĐ-TTg of 2025 all emphasize the task of organizing widespread dissemination of information to help people understand the benefits of sorting waste at source, recycling waste, and using environmentally friendly products. By mobilizing the media, schools, social organizations, and businesses to participate, the State has been creating a strong ripple effect, gradually forming sustainable consumption habits and encouraging communities to work together to build a circular economy.

3.1.1.3 State achievements include financial investment, science and technology, and the organization of inspection, supervision, and evaluation of the implementation of the circular economy

- Financial investment

Through the 2020 Environmental Protection Law, Decision 687/QĐ-TTg (2022), Decision 222/QĐ-TTg (2025), and other relevant documents, it is clearly stipulated that the State allocates budget funds to circular economy programs and projects. For example, Article 149 of the 2020 Environmental Protection Law stipulates that the State allocates budget funds for environmental protection, including recurrent expenditures and development investment expenditures. The State establishes and operates the Vietnam Environmental Protection Fund to provide financial support for environmental protection projects, recycling, waste treatment, and

promoting the development of the circular economy. Start-up businesses and those transitioning to the circular economy model can borrow preferential capital from the fund to invest in circular technologies and cleaner production. Businesses investing in recycling, waste treatment, and the production of environmentally friendly products enjoy preferential treatment regarding taxes, land, and credit. Encourage the mobilization of social and international resources for circular economy projects. These resources should focus on key areas such as waste treatment, renewable energy development, cleaner production, and recycling infrastructure development.

In addition to the state budget, the government also implements environmental funds and green credit funds to support businesses investing in circular technologies, encouraging green startups and innovation. International cooperation projects with the EU, UNDP, and WB also provide significant financial resources, helping Vietnam access modern technology and improve management capacity. Furthermore, many commercial banks such as BIDV, Vietcombank, and Agribank have developed their own green credit products, linked to sustainable development strategies. The State Bank of Vietnam has issued a set of criteria for classifying green credit, encouraging credit institutions to expand lending to circular projects.

- Science and technology development

Recently, the Vietnamese government has been investing heavily in science and technology to promote the circular economy through national programs, research funds, and innovation support. Resolution 57-NQ/TW (2024) identifies science and technology and innovation as strategic breakthroughs, with the circular economy being a priority. In the circular economy action program until 2035, the Ministry of Natural Resources and Environment and the Ministry of Science and Technology are coordinating the implementation of research projects on circular technologies, plastic recycling, waste treatment, and energy saving. Annually, the National Science and Technology Fund (NAFOSTED) funds hundreds of research projects related to cleaner production, recycling, and renewable energy. A tripartite linkage (State - Enterprises - Intellectuals) has been established to connect science and technology research with practical applications, with the circular economy being a key focus.

- Inspection and monitoring

Inspection and monitoring activities are integrated into laws and decrees. This is an important legal framework promoting the development of the circular economy. For example, the 2020 Environmental Protection Law stipulates the responsibilities of the Ministry of Natural Resources and Environment and People's Committees at all levels in inspecting and monitoring recycling, waste treatment, and cleaner production activities. Articles 142-143 require periodic reporting and evaluation of the results of implementing the circular economy.

Decree 08/2022/ND-CP (guiding the Law on Environmental Protection) specifies the mechanism for monitoring and evaluating circular economy models. It requires businesses to report periodically on their recycling and reuse activities. The Ministry of Natural Resources and Environment is responsible for inspecting and publishing the results. Decision No. 331-QD/TW dated June 18, 2025, of the Secretariat of the Central Committee promulgates a model process for inspection and supervision by advisory and support agencies of Party committees. This is a general framework for monitoring the implementation of major policies, including the circular economy.

Decision 687/QD-TTg (2022): Approves the Circular Economy Development Plan in Vietnam, assigning the Ministry of Planning and Investment to coordinate with other ministries and agencies to develop a pilot monitoring and evaluation mechanism. The National Green Growth Strategy (2021-2030): Sets the goal of integrating the circular economy into various sectors and establishes a mechanism for evaluating implementation progress. The Ministry of Justice's Report 203/BC-BTP (2024) summarizes the work of inspecting, reviewing, and

systematizing legal documents. This serves as a basis for evaluating the consistency and completeness of regulations related to the circular economy. Decision 09/2008/QĐ-BCT on the Inspection and Supervision Regulations of the Ministry of Industry and Trade, issued quite some time ago, remains a foundation for effectively monitoring the operations of businesses in various production sectors, including the application of circular models.

3.1.2. The reasons for the achievement

Firstly, the legal and policy framework for the development of the circular economy is quite clear, timely, and consistent. It can be said that one of the reasons for the initial success of the circular economy in Vietnam is that the State has built a fairly clear, timely, and consistent legal and policy framework. This is demonstrated through the Environmental Law, Decree 08/2022/ND-CP which provides detailed guidance on the 2020 Environmental Protection Law, and Decision 687/QĐ-TTg (2022) approving the Circular Economy Development Plan.

Secondly, the Vietnamese State actively fulfills international commitments and responds to integration pressures.

Vietnam has made numerous international commitments related to the development of the circular economy, linked to the goals of sustainable development, green growth, and climate change adaptation. At COP26 (2021), Vietnam declared its Net Zero target by 2050, in which the circular economy is a central solution for reducing emissions and efficiently using resources. At COP29 (2024-2025), Vietnam further emphasized the role of the circular economy in building carbon markets, carbon credits, and adaptation strategies, compelling a shift in production and consumption models towards circularity.

Thirdly, Vietnamese businesses are increasingly participating in the development of the circular economy, with many models of recycling, energy saving, and cleaner production.

As of 2024, Vietnam had developed 1,283 models of energy efficiency and clean production (RECP). Of these, 783 models had been implemented by 125 domestic enterprises and yielded positive initial results.

Fourth, the active application of science and technology is a key driving force behind the initial success of the circular economy in Vietnam, from recycling and renewable energy to digital technology. Plastic recycling, waste treatment, and renewable energy technologies have been widely researched and applied. Businesses such as Unilever, Nestlé, and SCG have invested in recycling lines for packaging, PET plastic, and aluminum cans. Hanoi, Ho Chi Minh City, and Binh Duong have implemented waste-to-energy incineration technology and compost production from organic waste. Microorganisms are being applied to wastewater treatment and the production of organic fertilizers from agricultural by-products. Ninh Thuan, Binh Thuan, and the Central Highlands have seen strong development, contributing to reducing dependence on fossil fuels. Energy-saving technologies have developed, with over 1,283 cleaner production and energy-efficient production (RECP) models implemented, helping businesses save costs and reduce emissions. Ninh Binh, Can Tho, and Da Nang have taken the lead in piloting the model of eco-industrial parks, where businesses share by-products and reuse materials in the production cycle.

Fifthly, the role of media and public awareness of the circular economy.

The government's implementation of communication campaigns (waste sorting at source, reducing plastic bags, packaging recycling) has contributed to creating new habits among the people in sorting waste at source, reducing plastic bags, and recycling packaging. Communication helps businesses promote green products and encourages consumers to choose environmentally friendly goods. When the media emphasizes the issue of pollution, the community will put pressure on businesses and the government to act in a circular manner.

3.1.3. Some limitations

Firstly, there are limitations in the development and improvement of the legal and policy system related to the development of the circular economy.

The concept of "circular economy" has only been included in the 2020 Environmental Protection Law, but there is no separate specialized law. There is a lack of specific regulations on technical standards and regulations for circular products, recycling processes, and reuse.

Secondly, there are limitations in the organization and implementation of legal and policy regulations for the development of the circular economy.

In terms of organization and implementation: there is a lack of incentive and support mechanisms. Preferential policies on taxes, green credit, and investment support for circular businesses are limited and unclear. There is no sustainable financial mechanism to support pilot projects and the transformation of production models. There is a lack of specific implementation guidelines. Many localities and businesses are still confused about applying the circular model due to a lack of technical guidance and evaluation criteria. The testing mechanism (sandbox) has not been widely implemented, leading to difficulties in innovation. There is a lack of inter-sectoral coordination: Implementation is fragmented among ministries such as the Ministry of Planning and Investment, the Ministry of Natural Resources and Environment, the Ministry of Agriculture and Rural Development, and the Ministry of Industry and Trade, without a unified coordination mechanism.

Thirdly, there are limitations in the application of science and technology, innovation, and the capacity to inspect and monitor standards and development goals of the circular economy.

Production technology in Vietnam is still outdated and lacks uniformity. Many businesses, especially small and medium-sized enterprises (SMEs), still use traditional production technologies that consume a lot of energy and raw materials. Waste, plastic, and metal recycling technologies do not meet international standards, leading to low-quality recycled products and difficulty in competing. The results of the current situation also show that investment in science and technology in the circular economy only accounts for about 15-20% of the total national science and technology expenditure, which is not commensurate with the needs.

3.1.4. Reasons for the limitations

Firstly, the circular economy is a new economic model in Vietnam, so awareness among all levels of government, industries, businesses, and the public is still low.

The circular economy is a new concept in Vietnam's legal system, only officially included in the 2020 Environmental Protection Law. Understanding and application of this concept are still limited at many levels of management, businesses, and the community; awareness and implementation capacity are weak. Many localities and businesses do not fully understand the long-term benefits of the circular economy. There is a lack of experts and managers who are well-trained in this model. There is no separate Circular Economy Law to comprehensively regulate related activities.

Secondly, the circular economy requires a change in mindset and resources, but Vietnam has not yet transformed and responded in a timely manner.

The mindset regarding the development of the circular economy has not shifted significantly. Businesses are still accustomed to the linear model: extraction - production - consumption - disposal. Investment in designing recyclable products, extending their lifecycle, or recovering waste after use remains limited. Consumers have not yet developed the habit of choosing green, recyclable products, or sorting waste at source. Regulatory agencies still view the circular economy as solely the responsibility of the environmental sector, and have not yet integrated it into socio-economic development strategies.

Thirdly, the management apparatus related to the development of the circular economy is still fragmented.

Circular economy development involves many agencies and ministries (Ministry of Planning and Investment, Ministry of Agriculture and Environment, Ministry of Industry and Trade, Ministry of Finance, etc.) but lacks a single coordinating agency. Policies across sectors such as environment, industry, agriculture, finance, etc., have not been integrated according to a circular mindset.

3.2. SOME ISSUES RAISED FROM THE ROLE OF THE STATE IN THE DEVELOPMENT OF A CIRCULAR ECONOMY IN VIETNAM NOWADAYS

3.2.1. There is a conflict between the demand for the State to provide sufficient legal documents for the development of a circular economy and the current reality of incomplete and inconsistent policies and laws on the development of a circular economy.

In Vietnam, although a legal framework promoting the circular economy has been established and is being further developed, there is no specialized legislation on the circular economy. Simultaneously, the policy and legal framework for developing the circular economy model is still under research and not yet complete. Some policy tools are not yet synchronized or unified to effectively regulate the behavior of entities regarding resource exploitation and utilization in a transparent, fair, economical, efficient, and sustainable manner within the economy; they are insufficient to create the financial pressures and incentives to promote technological innovation and enhance the social responsibility of businesses and consumers in order to achieve the goals of the circular economy.

3.2.2. There is a conflict between the requirement for the State to implement effective policies for the development of the circular economy and the current reality of limited implementation of these policies.

Currently, Vietnam lacks a dedicated state apparatus for the development of the circular economy. This leads to fragmented policy implementation and a lack of unified coordination. Activities related to the circular economy are primarily integrated into green growth, environmental protection, or sustainable development strategies, but there is no single agency responsible for comprehensive oversight. The absence of a specialized agency results in a lack of synergy in the issuance of legal frameworks, monitoring of implementation, and support for businesses and citizens, leading to limited effectiveness in the transformation process.

3.2.3. There is a conflict between the requirement for the State to invest financially, scientifically, technologically, and to organize inspection, supervision, and evaluation of the implementation of the circular economy development, and the reality that this issue still has many limitations.

The conflict between the demand for state financial investment in the circular economy and the current limitations is a major bottleneck because the circular economy is an inevitable trend to achieve sustainable development goals and Net Zero 2050.

Summary of chapter 3

In implementing the Party's guidelines and policies on the development of the circular economy, clearly defined since the 12th National Congress, the State has played a managerial role through the promulgation of a system of legal documents, while simultaneously organizing the implementation, inspection, and supervision of the application of these regulations in state management of the circular economy in Vietnam.

As a result, state management in this field has achieved noteworthy initial results, especially in core areas such as: limiting the exploitation of raw materials and input fuels; extending the product life cycle through production, exchange, consumption, and service provision activities; and controlling and minimizing waste generation, contributing to reducing pollution and mitigating negative impacts on the environment.

Chapter 4

FUNDAMENTAL SOLUTIONS FOR ENHANCING THE ROLE OF THE STATE IN THE DEVELOPMENT OF CIRCULAR ECONOMY IN VIETNAM NOWADAYS

4.1. GROUP OF SOLUTIONS ON THE ROLE OF THE STATE IN BUILDING AND PERFECTING THE LEGAL SYSTEM FOR CIRCULAR ECONOMIC DEVELOPMENT

4.1.1. The solution involves issuing a Party resolution on the development of the circular economy

To develop the circular economy, we must begin by defining the policies, perspectives, and institutional framework for its development. Therefore, the 13th and 14th Central Committees of the Communist Party of Vietnam should first issue a thematic resolution on the development of the circular economy. This thematic resolution affirms the Party's leadership role in guiding the development of the circular economy. Simultaneously, it will help unify understanding throughout the entire political system, from the central to local levels. Based on the Party's policies and guidelines, the State will concretize them into a legal system for the development of the circular economy. A thematic resolution will serve as the foundation for building a Circular Economy Law, issuing national standards, and establishing a green finance mechanism. Based on the legal system of the National Assembly, the Government will issue decrees, strategies, and plans for the development of the circular economy. This will provide a basis for ministries, sectors, and localities to build and integrate the goals of circular economy development into their respective socio-economic development strategies.

4.1.2 The State is reviewing and supplementing the current system of policies, laws, plans, and strategies for the development of the circular economy in Vietnam.

The government needs to review Vietnam's current system of policies, laws, and plans for the development of the circular economy. This will identify areas where laws are lacking, incomplete, or inconsistent in their development. To address the shortcomings and inconsistencies in Vietnam's legal and policy framework for the development of the circular economy, a series of strategic solutions, coupled with practical implementation, are necessary.

4.1.3 The State is innovating the process of building a system of policies and laws on the development of the circular economy.

The process of developing policies and laws on the circular economy should be reformed based on the principle of shifting from a "manage later" to a "design first" mindset, with the product-material lifecycle as the central focus, while using data and market mechanisms to promote compliance. Legislative and policy-making processes should be evidence-based.

4.2. GROUP OF SOLUTIONS TO ENHANCE THE ROLE OF THE STATE IN IMPLEMENTING THE PROVISIONS OF THE LEGAL SYSTEM ON CIRCULAR ECONOMIC DEVELOPMENT

4.2.1. Establish a unified, professional, dynamic, and efficient state apparatus to implement the tasks of developing a circular economy

The dissertation has analyzed three groups of solutions demonstrating the role of the state in implementing tasks aimed at developing a circular economy: establishing a central coordinating agency specializing in circular economy development; improving inter-sectoral and inter-level coordination mechanisms in implementing circular economy development; and enhancing the capacity of state management officials in circular economy development.

Specifically: *Firstly*, establish a National Steering Committee on Circular Economy under the Government or the Ministry of Planning and Investment, with the function of inter-sectoral coordination. Assign clear tasks to each ministry: Ministry of Agriculture and Environment, Ministry of Industry and Trade, Ministry of Construction, Ministry of Health, and Ministry of Culture. The focus is on establishing a clear legal framework, a specialized management apparatus, and mechanisms to encourage business and community participation. *Secondly*, improve inter-sectoral and inter-level coordination mechanisms in implementing circular economy development. The state should issue regulations on coordination between ministries, sectors, and localities in implementing circular policies. The State establishes inter-agency task forces in provinces and cities to monitor and support businesses and communities. The State strengthens data and information sharing among management agencies. *Thirdly*, it enhances the capacity of State management officials in developing the circular economy, building a network of expert consultants to support localities and businesses in implementing circular models. *Fourthly*, the State establishes a national set of indicators for the circular economy: recycling rate, product life cycle, and resource efficiency. The State encourages and promotes the application of digital technology to track and trace the origin of raw materials, products, and waste. Businesses report periodically on their performance, allowing the State to adjust policies accordingly.

4.2.2 The State provides guidance, encouragement, and support for businesses and individuals to participate in the development of circular economic models

To enable Vietnamese businesses to transition from a linear model (“extraction - production - disposal”) to a circular economy model, the State needs to play a “leading role” with comprehensive solutions in law, finance, infrastructure, and communication. Specifically: The State should perfect the legal framework for the development of the circular economy; the State should have incentive mechanisms and support for circular businesses based on: tax incentives, land, and green credit for businesses investing in circular technologies; the State should support the development of green, circular, and sustainable infrastructure and ecosystems; the State should identify key sectors for businesses and economic entities to transition to green and circular economy models; and the State should enhance the capacity of circular businesses through training and consulting programs on circular design and lifecycle assessment (LCA). Support should also be provided to businesses in building ESG/circular reports to ensure transparency with investors, encourage green innovation, and develop circular startups. Ultimately, the government improved its communication efforts and changed production and consumption behaviors.

4.2.3. The State organizes propaganda and mobilization efforts to encourage economic sectors to develop the circular economy and promote sustainable consumption among the people

To effectively leverage the role of the State, it is necessary to raise awareness among all stakeholders: the leadership and management staff at all levels of the political system, businesses, and the people. Based on this, it is essential to focus on raising awareness through propaganda on several fundamental aspects of the development of the circular economy:

It is necessary to integrate content on developing the circular economy into the curriculum for students; strengthen the teaching of the circular economy in courses related to economics and management. Involve lecturers directly in activities and training programs related to the circular economy to update their knowledge and apply it to teaching; organize practical programs at businesses; innovate and diversify forms of communication; and increase awareness and dissemination of green products and circular economy products to promote circular economy consumption intentions among the population.

4.3. GROUP OF SOLUTIONS TO ENHANCE THE ROLE OF THE STATE IN FINANCIAL INVESTMENT, SCIENCE AND TECHNOLOGY, AND ORGANIZING INSPECTION, MONITORING, AND EVALUATION OF THE IMPLEMENTATION OF THE CIRCULAR ECONOMY

4.3.1. The government is increasing financial investment in the development of the circular economy.

To develop Vietnam's circular economy, a relatively stable source of funding is needed. Therefore, the government needs specific plans: *Firstly*, the government should build a green credit system, reduce interest rates for circular projects; and apply tax incentives for businesses that recycle and reuse materials. Establish national or local funds to support capital for innovative projects in the circular sector. Develop a PPP (public-private partnership) mechanism to encourage businesses and the government to jointly invest in transforming the circular economy model, developing waste treatment infrastructure, renewable energy, and circular supply chains. *Secondly*, mobilize international resources and take advantage of free trade agreements (EVFTA, CPTPP). *Thirdly*, develop the market and value chain of the circular economy. Developing a carbon credit market (a carbon credit market is a financial mechanism that helps regulate greenhouse gas emissions into the atmosphere through the exchange of carbon credits; originating from the United Nations Kyoto Protocol on Climate Change adopted in 1997). *Fourthly*, enhancing the capacity of businesses and communities. Training and communication, investing in human resource training in the circular economy, and raising public awareness.

4.3.2. The government is increasing investment in science and technology and innovation for the development of a circular economy

Science, technology, and innovation are key drivers for the development of the circular economy, as they optimize resources, reduce emissions, create sustainable production and consumption models, and enhance national competitiveness. Specifically, recycling and waste treatment technologies transform waste into raw materials, reducing dependence on natural resources. Biotechnology and new materials create biodegradable materials, replacing traditional plastics and contributing to environmental pollution reduction. The development of science and technology enables the application of IoT, AI, and blockchain to manage product lifecycles and track circular supply chains. Therefore, it can be affirmed that science, technology, and innovation are not just tools, but top national priorities for developing the circular economy. They help Vietnam achieve green growth goals while enhancing its competitiveness in the context of globalization and the Fourth Industrial Revolution.

For the State to increase investment in science and technology and innovation for the development of a circular economy in Vietnam nowadays, attention should be paid to the following:

Firstly, the State should refine the policy and strategic framework, especially the national strategy on circular science and technology. *Secondly*, it should invest in infrastructure for research and transfer of circular technologies. *Thirdly*, it should provide financial support for circular innovation and establish a green innovation fund. *Fourthly*, it should develop high-quality human resources to support the development of the circular economy. Focus should be placed on specialized training to integrate the circular economy and green technologies into undergraduate and postgraduate curricula. *Fifthly*, it should promote international cooperation to enable Vietnam to participate in global research networks on the circular economy. This includes connecting with the EU Horizon Europe, the ADB and WB innovation programs in the development of the circular economy, and bilateral cooperation with countries experienced in circular economy development. Agreements should be signed with countries strong in circular

technology (Germany, Japan, South Korea). High-tech FDI should be attracted to promote circular technology innovation. The EVFTA and CPTPP agreements should be leveraged to attract investment in the green technology sector. Creating a green startup ecosystem will enhance Vietnam's position in the region.

4.3.3. Enhancing the role of the State in monitoring and evaluating circular economy development policies in Vietnam nowadays.

The State plays a central role in monitoring, evaluating, and implementing circular economy policies. To enhance the State's role in monitoring and evaluating circular economy development policies in Vietnam nowadays, the State needs to perform the following tasks well:

Firstly, build a scientific and effective plan for inspecting and evaluating the current circular economy development policy in Vietnam. Specifically: The State has a plan for inspecting and evaluating the circular economy development policy. *Secondly*, the State needs to have a scientific and effective method for inspecting and evaluating the current circular economy development policy in Vietnam, such as: (1) Inspection and evaluation through reports. (2) Inspection and evaluation through preliminary and final reviews. Preliminary and final reviews of the implementation of policies, strategies, plans, and programs are decided by the competent authority or determined directly in the policies, strategies, plans, and programs. Inspection through preliminary and final reviews must comply with the following principles:

- + Preliminary and final reviews of the implementation of policies, strategies, plans, and programs must ensure efficiency and prevent waste in development;

- + Preliminary reviews of the implementation of policies, strategies, plans, and programs must be conducted at least one year from the date the policies, strategies, plans, and programs on circular economy development are issued or approved;

- + Final reviews of the implementation of policies, strategies, plans, and programs on circular economy development must be conducted at least two years from the date of effective implementation, or at the end of an implementation phase to move to another phase, or upon completion of implementation.

Thirdly, inspection and evaluation are conducted through working with the inspected agencies. If direct interaction with the inspected agency is necessary, the authorized inspector or the agency assigned to conduct the inspection may invite a representative from the inspected agency to their office or send a representative to the inspected agency. The Government Office is responsible for organizing inspections by the Prime Minister and Deputy Prime Ministers through direct meetings with Ministers, heads of ministerial-level agencies, heads of government agencies, and chairpersons of provincial People's Committees. If assigned by the Prime Minister, the Government Office and relevant agencies have the right to work directly with the head of the inspected agency. The Office of the Provincial People's Committee is responsible for organizing inspections by the Chairman and Vice-Chairpersons of the Provincial People's Committee through direct meetings with the heads of specialized agencies under the Provincial People's Committee and the Chairpersons of People's Committees at all levels. In cases assigned by the Provincial People's Committee, the Provincial People's Committee Office and relevant agencies have the right to work directly with the heads of the agencies being inspected. The authorized inspector and the agency assigned to conduct the inspection have the right to consult with experts on professional issues related to the inspection content, but must be responsible for their inspection conclusions.

Fourthly, develop a set of criteria for evaluating current circular economy development policies in Vietnam. Five commonly used criteria groups are: policy effectiveness (reflected in the degree of impact of the policy on stakeholders in practice); policy efficiency (based on comparing the results achieved with the costs incurred to implement the policy); fairness (in the

distribution of costs, benefits, and risks of the policy among different population groups); political feasibility (reflecting the support or opposition of politicians and citizens to the policy); and technical feasibility and the implementation capacity of the management team.

On the other hand, adequate funding should be allocated to evaluating circular economy development policies. Given the role of policy evaluation, it is clear that this activity is crucial. Therefore, allocating necessary funds and using them effectively for policy evaluation will contribute to overcoming the limitations and shortcomings of policies, gradually improving current policies, or drawing lessons for future policy planning and implementation, ensuring that policies meet the needs of life.

Summary of chapter 4

Chapter 4 outlines three key groups of solutions for enhancing the role of the State in the development of the circular economy in Vietnam nowadays. To perfect the system of policies, laws, plans, and strategies for the development of the circular economy until 2030 and with a vision to 2045, it is necessary to: Review the current system of policies, laws, plans, and strategies for the development of the circular economy in Vietnam; Review legal documents and international conventions on the development of the circular economy, identifying the commitments Vietnam has made and those it has not yet fulfilled, in order to supplement and improve them; Supplement policies, laws, plans, and strategies for the development of the circular economy that Vietnam lacks, is incomplete, or inconsistent, especially the Circular Economy Law.

To enhance the role of the State in implementing policies for the development of the circular economy in Vietnam nowadays, it is necessary to: establish a state apparatus to implement the tasks of developing the circular economy; The State issues guidelines and policies to orient, encourage, and support businesses and people to participate in the circular economy development model; organizes propaganda and mobilization of economic sectors to develop the economy in the direction of a circular economy; and effectively implements policies for the development of the circular economy in Vietnam nowadays.

To enhance the role of the State in the development of the circular economy in Vietnam nowadays, the dissertation proposes several solutions to strengthen the State's role in financial investment for the development of the circular economy; strengthen the development of science and technology and innovation related to the development of the circular economy. In particular, the State demonstrates its role by regularly inspecting, monitoring, and evaluating the implementation of the development of the circular economy in Vietnam nowadays. Through this, it summarizes experiences and supplements guidelines and policies in a timely and effective manner.

CONCLUDE

The circular economy is an economic model that operates in a closed cycle, where production, exchange, consumption, and service provision are organized to limit the exploitation of raw materials and fuel, extend product lifecycles, minimize waste generation, and thus reduce pollution and negative impacts on the environment. At the same time, this model creates momentum for innovation, increases labor productivity, and aims towards three pillars of development: economic prosperity, environmental sustainability, and social equity.

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3. Nguyen Thi Thuy Linh (September 2025), “The Role of the State in the Development of the Circular Economy in Vietnam Nowadays”, Journal of State Management, No. 356, Code: ISSN2354 – 0761. <https://www.quanlynhanuoc.vn/2025/09/04/vai-tro-cua-nha-nuoc-doi-voi-phat-trienkinh-te-tuan-hoan-o-viet-nam-hien-nay/>