## Proposing Some Solutions To Improve Policies And Laws On Developing Circular Economy In Vietnam



### Doan Hong Nhung<sup>1\*</sup>

<sup>1\*</sup>lecturer at Vietnam National University, Hanoi, University of Law and she is Vietnam education quality Accreditor. She got a doctor degree in law from Vietnam National University, Hanoi, School of Law and Assoc.Prof from 2015. Address: 144 Xuan Thuy, Dich Vong Hau, Cau Giay, Ha Noi, Vietnam E-mail: <a href="mailto:doanhongnhungvn@gmail.com">doanhongnhungvn@gmail.com</a>, Orcid: <a href="https://orcid.org/0009-0000-5975-1536">https://orcid.org/0009-0000-5975-1536</a>

#### Abstract:

The article provides an overview of circular economy, highlighting the benefits of the circular economy model and the inadequacies and limitations of resource use and waste management practices in Vietnam. Based on the analysis of the Party and State's guidelines, policies and legal documents that have been issued to promote circular economic development, the article offers a number of important solutions, such as: perfecting Legal framework to encourage businesses to participate in the process of recycling and efficient use of resources, building an in-depth economic growth model to optimize resource use, contributing to improving policies, law on circular economic development in Vietnam.

Keywords: Policy, circular economy, environment, law, sustainable development.

#### 1. INTRODUCTION

In the context of globalization and sustainable development, circular economy is increasingly attracting the attention of countries, including Vietnam. Circular economy is not only about minimizing waste and optimizing resource use but also aims to create a sustainable development bringing economic, social environmental benefits. However, Vietnam is facing many serious problems related to environmental pollution, resource management and sustainable development. Although the Party and State have issued many guidelines, policies, and legal documents to promote the circular economy, implementing and ensuring the effectiveness of these policies still faces many difficulties. Current legal regulations are incomplete and lack uniformity and consensus among ministries, branches and localities. Furthermore, community and business awareness of the meaning and importance of circular economy is limited, leading to the application of recycling and reuse models not being popular. In that context, perfecting policies and laws on circular economic development is not only an urgent task but also decisive for Vietnam's sustainable economic development strategy in the future. To achieve this, it is necessary to build a clear and flexible legal framework that enables businesses and people to participate in the transition to a circular economy.

## 2. THEORETICAL FRAMEWORK

#### 2.1. Overview of circular economy

Global challenges such as resource scarcity, environmental pollution, biodiversity loss, and climate change have promoted innovative thoughts, ideas and thinking. Creativity in production and consumption to separate economic growth from resource degradation and environmental pollution. Focusing more on economic sustainability than on environmental and social sustainability (Schneider, 2014), circular economy takes a systems approach to incorporate environmental concerns for economic development. The breakthrough is not only in the theoretical aspect to bring together economic activities and environmental welfare towards sustainability but also in the design of circular economic models in practice (Murray et al., 2015).

Circular economy has become the driving force for the process of building and designing economic activities according to circular cycles such as the integrated model between industry and agriculture, the ecological industrial model, and the circular model. entirely in the fields of agriculture and biology... Especially circular agricultural models that combine the fields of cultivation - livestock forestry - aquaculture to form a closed cycle between The output of this field constitutes the input of other activities, the waste coming out of this model is almost zero. Or you can imagine, all service provision activities will aim to reuse materials and eliminate negative impacts on the environment. In particular, manufacturers focus on circularity from the scale design process to production, consumption, waste management and turning waste back into resources (Cong Tam, 2020).

### 2.2. Practice in Vietnam

Economic activities in Vietnam have so far been mainly based on the traditional approach, which is linear economics. This is also the basic cause of the shortage of natural resources, especially causing serious environmental pollution. In 2016, the amount of urban solid waste in Vietnam was 11.6 million tons (an average of 0.33kg/person/day), this number is expected to nearly double, at about 22 million tons by 2016. 2050. Although only ranked 68th in the world in terms of area. 15th in terms of area. population, but the amount of plastic waste discharged into the sea in Vietnam currently ranks 4th in the world, with more than 1.83 million tons/year (Pham Yen, 2020). Vietnam is one of the 10 countries most affected by climate change and one of the countries discharging the most plastic waste into the environment. Air pollution alone could cause Vietnam to lose more than 5.07% of GDP; Water pollution can cost Vietnam up to 3.5% of GDP (W Bank, 2019). Along with that, the decline in resources, energy, land pollution and land degradation is seriously affecting the socioeconomic development of Vietnam recently (Cong Tam, 2020). Currently, in Vietnam there are still no complete, true and realistic circular economic models.

#### 3. LITERATURE REVIEW

In fact, research on circular economy in Vietnam is still quite new. Therefore, the number of studies related to the topic is still quite modest. Within the scope of research, the author found that the following research projects are quite relevant to the topic: Ellen Macarthur foundation and Mckinsey center for business and environment (2015) with "Growth Within: A Circular Economy Vision for a Competitive Europe"; European Environment Agency (2016) with "Circular Economy in Europe -Developing the knowledge base"; Rizios V., Toukko K., Behrens A (2017) with "The circular economy: A review of definitions, processes and impacts"; Nguyen The Chinh (2019) with "Opportunities and challenges for circular economic development in Vietnam"; Bui Xuan Dung (2020) with "Experience in implementing the model in some countries and suggestions for Vietnam"; Hai H.T., Quang N.D., Thang N.T., Nam N.H. (2020) with "Circular Economy in Vietnam"; Le Hai Duong (2020) with "Research topic on Law in Vietnam - Current situation and recommendations"; Minh Chau., Dang Dong., Ngoc Phat., Le Nam. (2020) with "Green bonds: Advantages and disadvantages development in Vietnam's stock market"; Zvonimira S.G., Marinela K.N., Elena R. (2020) with "Circular Economy Concept in the Context of Economic Development in EU Countries"; Nguyen Hong Anh (2021) with "The application experience of some countries in the world and the problems facing Vietnam"; etc

#### 4. METHODOLOGY

To research this topic, the author used qualitative research methods based on secondary data from;

analytical methods, synthetic methods; sociological statistical methods; Inductive method to evaluate some legal issues on policies and laws on developing circular economy in Vietnam.

#### 5. RESULTS AND DISCUSSION

# 5.1. Policy and laws of the party and the state to develop the circular economy

It is necessary to affirm that the elements of circular economy have been mentioned in the Party's policies and State laws since the late twentieth century. Directive No. 36/CT-TW dated August 25, 1998 of the Politburo mentioned "application of clean technology, less waste, low consumption of raw materials and energy". Resolution No. 41NQ/TW dated November 15, 2004 of the Politburo on environmental protection in the period of accelerating industrialization and modernization of the country also provides orientations on "encouraging recycling and recycled products", "recovery and treatment of used products". From those guidelines, the State has issued laws and policies related to sustainable production and consumption such as: Law on Environmental Protection 2020 as a basis for state management agencies and organizations, individual implementation; On January 10, 2022, the Government issued Decree No. 08/2022/ND-CP detailing a number of articles of the Law on Environmental Protection. According to the content of the above Decree, in Section 3, Chapter In which, at the strategic level, the Government assigns the Ministry of Natural Resources and Environment to preside over and coordinate with ministries, ministerial-level agencies, and provincial-level People's Committees to develop and submit to the Prime Minister for promulgation a plan. National actions to implement circular economy.

Before December 31, 2023 for provinces and cities to serve as a basis for synchronous implementation nationwide. At the same time, also according to the above Decree, the Government clearly stipulates the incentive mechanism and financial incentives for economic and social sectors to invest in research, development and application of weekly economic models. in production, business, trade and service activities. The legal foundation has been stipulated in the Law on Environmental Protection (2005, 2014), the Law on Minerals (2010); Law on Water Resources (2012);Land Law (2013);Environmental Protection Strategy (2012); Green Growth Strategy (2012); National action program on sustainable production and consumption to 2020, vision to 2030; Vietnam's renewable energy development strategy to 2030, vision to 2050 and most recently the Law on Environmental Protection (2020). Currently, in Vietnam, the legal basis for implementing the circular economy model at the strategic level is the Law on Environmental Protection 2020 (Law No. 72/2020/QH14 issued by the National Assembly on November 17, 2020). 2020, effective from January 1, 2022), accordingly, Clause 11, Article 5 of the Law on Environmental Protection 2020 stipulates the integration and promotion of circular economy and green economic models in Develop and implement strategies, planning, plans, programs, schemes and projects for socio-economic development. In addition, Article 142 of the Law on Environmental Protection 2020 also clearly states the definition of circular regulations that the Government economy; stipulates criteria, roadmaps, and mechanisms to encourage the implementation of circular economy in accordance with the country's socio-economic conditions: Besides. it also stipulates responsibilities for implementing the circular economy model for two important components important are state management agencies and the business community. In addition to the 2020 Environmental Protection Law, investment laws also have regulations to encourage the development of circular economy in Vietnam. Point d d Clause 2 Article 15, Investment Law 2020 stipulates that subjects eligible for investment incentives include "High-tech enterprises, science and technology enterprises, science and technology organizations; Projects with technology transfer are on the List of technologies encouraged for transfer according to the provisions of law on technology transfer; technology incubators, science and technology business incubators according to the provisions of the law on high technology and the law on science and technology; Enterprises that produce and provide technology, equipment, products and environmental protection services to serve requirements in accordance with the law on environmental protection. These projects enjoy many diverse forms of investment support such as: Support for the development of technical infrastructure systems, social infrastructure inside and outside the investment project fence, support for training and development. human resource development; Credit support... is stipulated in Article 18 of the Investment Law 2020. However, to receive investment incentives in Clause dd, Article 15, businesses, organizations, establishments, and investment projects need to meet the conditions prescribed by the law on science and technology: high technology; technology transfer: environmental protection. Within the framework of Decree No. 82/2018/ND-CP. Regulations on the management of industrial parks (IZs) and economic zones (EZs) also mention a number of important issues in circular economy such as ecological industrial parks, industrial symbiosis as well as a issue. related to investment in environmentally friendly industries. These include investment development policies, determination

criteria, and incentives for eco-industrial park enterprises, Industrial symbiosis is also an issue related to investment in environmentally friendly industries. These include investment development policies, determination criteria, and incentives for eco-industrial park enterprises. To complete the legal framework and resolve problems in investment and development of industrial parks and economic zones, the Ministry of Planning and Investment is developing and completing a draft Decree replacing Decree No. 82/2018/ND- CP to submit to the Government for promulgation to create a legal framework for investment and development of industrial parks and economic zones. In 2022, the Prime Minister issued Decision No. 687/QD-TTg dated June 7, 2022 approving the Circular Economic Development Project in Vietnam, this is the basis for Vietnam to implement economic development. circular economy in the near future and is also a basis for completing legal regulations on circular economy.

## 5.2. Some solutions to complete policy and law on circulatory economy

To perfect the law on circular economy, it is necessary to research and analyze the elements of circular economy, the advantages that circular economy brings as well as the current situation of developing circular economy and the legal system on economy. How is Vietnam's circular economy built, from which we can deeply analyze solutions to improve policies and laws on circular economy in Vietnam in the coming time. On that basis, the author proposes some solutions to promote circular economy in Vietnam such as:

First, complete the legal corridor to serve the development of a circular economy. Accordingly, it is necessary to amend and supplement the Law on Environmental Protection, stipulating specific responsibilities of manufacturers and distributors in recovering, classifying and recycling or paying for treatment costs of waste products. cancel. Along with that, accelerate the completion and promulgation of preferential policy mechanisms to support the promotion of environmental industry, including recycling industry;

**Second**, build an in-depth economic growth model, effectively use input resources, apply science and technology to industries, especially waste treatment to regenerate new materials;

**Third**, develop a Circular Economy Communication Strategy to raise awareness of manufacturers and the public about their responsibility for products throughout their life cycle..., basic research from the perspective of legal science on circular economy and the necessary elements to build and operate a circular economy.

Fourth, promote learning from the experiences of developed countries such as Germany, Sweden,

Japan, the Netherlands... on building and perfecting laws on circular economic development. Developed countries have often gone through the process of implementing and adjusting policies, helping them accumulate many valuable lessons on applying circular economy principles in practice.

These experiences not only provide an overview of effective legal models but also help Vietnam avoid mistakes and make timely adjustments suitable to its development context.

Fifth, learning from previous countries will help Vietnam quickly update and apply new technologies and initiatives in the field of recycling, reuse and resource management, thereby improving efficiency. production efficiency and reduce environmental pollution. Finally, building a solid legal framework from international experience will contribute to strengthening investor confidence, promoting business participation in circular economic activities, thereby creating a strong foundation for sustainable development in the future.

#### 6. CONCLUSION

Completing policies and laws on circular economic development in Vietnam is an indispensable task in the journey towards sustainable development. By completing the legal corridor, we will create a solid framework for businesses and organizations to participate in the process of optimizing resources and minimizing waste. The in-depth economic growth model, with a focus on quality and efficient use of resources, will help Vietnam not only grow economically. but also promotes environmental communication sustainability. Developing a strategy about circular economy is a key factor to raise awareness of the community and businesses about the importance of applying circular economy principles. This will create a solid foundation for positive changes in behavior and attitudes towards environmental protection. Along with that, learning developed countries will open opportunities for Vietnam to access and apply effective solutions that have been proven in international practice. These lessons learned will not only help shorten the time to implement policies but also increase their effectiveness. This will create a solid foundation for positive changes in behavior and attitudes towards environmental protection. Along with that, learning from developed countries will open up opportunities for Vietnam to access and apply effective solutions that have been proven in international practice. These lessons learned will not only help shorten the time to implement policies but also increase their effectiveness. In summary, harmonious a combination of improving policies, developing a sustainable economic model, raising awareness and learning from international experience will be the

key for Vietnam to build a complete circular economy. work, towards a future of sustainable development and prosperity for the entire society.

#### REFERENCES

- 1. BUI XUAN DUNG (2020). "Experience in implementing the model in some countries and suggestions for Vietnam". *Economic and Forecast Journal*, 22 (740)/2020.
- 2. ELLEN MACARTHUR FOUNDATION AND MCKINSEY CENTER FOR BUSSINESS AND ENVIRONMENT (2015). "Growth Within: A Circular Economy Vision for a Competitive Europe". https://tinyurl.com/jec5ykg.
- 3. EUROPEAN ENVIRONMENT AGENCY (2016). "Circular Economy in Europe Developing the knowledge base". *EEA Report* No. 2/2016.
- 4. GOVERNMENT (2020). "Decree No. 08/2022/ND-CP dated January 10, 2022 detailing a number of articles of the Law on Environmental Protection".
- 5. GOVERNMENT (2020). "Decree No. 82/2018/ND-CP dated May 22, 2018 of the Government regulating the management of industrial parks and economic zones".
- HAI H.T., QUANG N.D., THANG N.T., NAM N.H. (2020), "Circular Economy in Vietnam". Circular Economy: Global Perspective. Springer, Singapore. https://doi. org/10.1007/978-981-15-1052-6\_22. N
- 7. LE HAI DUONG (2020). "Research topic on Law in Vietnam Current situation and recommendations". Deputy Director of the Institute of Legislative Studies, Institute of Legislative Studies under the National Assembly Standing Committee.
- 8. NATIONAL ASSEMBLY (2020). "Law on Environmental Protection No. 72/2020/QH14 dated November 17, 2020".
- 9. NATIONAL ASSEMBLY (2020). "Investment Law No. 61/2020/QH14 dated June 17, 2020".
- 10. NGUYEN HONG ANH (2021). "The application experience of some countries in the world and the problems facing Vietnam". *Industry and Trade Magazine Results of scientific research and technology application*, no. 9, April 2021.
- 11. NGUYEN THE CHINH (2019). "Opportunities and challenges for circular economic development in Vietnam". Communist review, số 10/2019.
- 12.MINH CHAU., DANG DONG., NGOC PHAT., LE NAM (2020). "Green bonds: Advantages and disadvantages for development in Vietnam's stock market". Journal of Financial and Monetary Markets, access date: October 15, 2024. Access source: https://thitruongtaichinhtiente.vn/traiphieu-xanh-thuan-loi-vakho-khan-de-phat-trien-o-thi-truongchung-khoan-viet-nam-25536.html.
- 13. RIZIOS V., TUOKKO K., BEHRENS A. (2017). "The circular economy: A review of definitions,

- processes and impacts", Research Report, No 2017/8, April 2017.
- 14.VU MAI CHI., NGUYEN HONG GAM (2023). "Experience in developing green bond market and some recommendations for Vietnam". Journal of bank, access date: October 15, 2024. Access source: https://tapchinganhang.gov.vn/kinh-nghiemphat-trienthi-truong-trai-phieu-xanh-vamot-so-de-xuat-doivoi-viet-nam.htm
- 15.ZVONIMIRA S.G., MARINELA K.N., ELENA R. (2020). "Circular Economy Concept in the Context of Economic Development in EU Countries". Sustainability 2020, 12, 3060; doi:10.3390/su12073060.