

Recommendations for policies supporting vulnerable groups in transitioning to a green economy in Vietnam

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Abstract: Vietnam is one of the pioneering countries in the world in green transition. In any transition process, vulnerable groups face difficulties adapting to new changes. This article analyzes and evaluates the current situation of constructing and implementing support policies for vulnerable groups in the transition to a green economy in Vietnam while also proposing some solutions to improve support policies for this group.

Keywords: Vulnerable groups; green transition; support policies; green economy; Vietnam.

1. Introduction

Industrialization and urbanization have had numerous negative impacts on the environment, including severe depletion of natural resources and excessive CO₂ emissions. Therefore, the emergence of the "green economy" model will help reduce the imbalance between economic development and environmental protection. On the other hand, developing a green economy will provide momentum for economic growth and create new employment opportunities suitable for the new context. In transitioning from a brown economy that relies on fossil fuel energy sources and overlooks social issues, environmental degradation, and natural resource depletion (UNEP, 2011) to a green

economy, vulnerable groups in society will face many obstacles in adapting to the new economic conditions. Therefore, the government needs to develop appropriate policies to address the needs of these groups to ensure their successful integration, stable employment, and sustainable poverty reduction.

2. The concepts of green economy

The concept of a green economy, a significant milestone in global sustainability, was first introduced at the United Nations Conference on Sustainable Development, a pivotal event held in June 2012 in Rio de Janeiro, Brazil (commonly referred to as Rio+20). So far, there have been various concepts of the green economy.

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The United Nations Environment Programme (UNEP) defines the green economy as "one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. In its simplest expression, a green economy can be thought of as one which is low carbon, resource efficient and socially inclusive" (UNEP, 2011). The definition provided by the International Chamber of Commerce (ICC) states that a green economy is "an economy in which economic growth and environmental responsibility work together in a mutually reinforcing fashion while supporting progress on social development" (ICC, 2012). The World Bank (WB) believes that "a green economy promotes economic development while ensuring efficiency in its use of natural resources, minimizing pollution and environmental impacts, enhancing resilience to natural disasters, and strengthening the role of environmental management and natural capital in preventing physical disasters" (WB, 2012).

The definitions above collectively underscore the shared objective of a green economy: mitigating the adverse repercussions of economic endeavors on both the environment and society. Essential attributes of a green economy encompass minimal carbon emissions, judicious resources utilization, preservation of biodiversity, and the pursuit of social equity. For this study, the definition delineated by the United Nations Environment Programme (UNEP, 2011) is the foundational framework guiding research endeavors.

3. Imperatives for developing supportive policies for vulnerable groups within Vietnam's green economy transition

The shift towards a green economy has emerged as a paramount objective for nations

worldwide, driven by the imperatives of fostering economic growth, societal advancement and notably, environmental conservation in response to climate change. It encompasses initiatives such as leveraging renewable energy sources, curtailing greenhouse gas emissions, investing in ecosystem rejuvenation, and aligning livelihood strategies with environmental recuperation efforts.

While pursuing economic progress, Vietnam faces formidable challenges posed by climate change, energy security, food sustainability, and water resource management. Regions like the Mekong Delta, home to a significant populace of 18 million, face the specter of submersion, with projections suggesting that over 70% of certain provinces' land area could be inundated within the next eight decades. The fiscal toll of climate-induced catastrophes is palpable, exemplified by the USD 10 billion in damages incurred in 2020, constituting 3.2% of the nation's GDP, as reported by the World Bank (2022). This ecological reckoning is primarily attributed to rapid industrialization and urbanization, which has exacted a toll on the environment. Alarming, greenhouse gas emissions surged to 466 million tons of CO₂ across the energy, agriculture, and waste sectors in 2020, with projections anticipating a further rise to 760.5 million tons by 2030, as highlighted by the Ministry of Planning and Investment (2021). Consequently, like other nations, transitioning towards a green economy stands as an inexorable imperative for Vietnam to mitigate environmental degradation.

In reality, the current state of production technology in Vietnam needs to be updated, as it consumes much more energy than global standards. Transitioning to a green economy model requires significant investment in

capital and new technologies. This poses a substantial challenge without the assistance of countries with advanced technology. Meanwhile, the living conditions of people in many rural and mountainous areas of Vietnam still need to improve. Particularly, vulnerable groups (such as people with disabilities, ethnic minorities, and people with low incomes) face many obstacles in adapting to new changes, making them more susceptible to adverse impacts. Moreover, adequate preparation is necessary for these groups to ensure the transition process.

Thus, when formulating policies to promote the green economic transition, a holistic, multi-faceted approach assumes paramount significance, focusing addressing the needs of vulnerable segments within society. Such policies encompass a spectrum of interventions ranging from financial assistance and facilitation of access to novel utilities to targeted training initiatives and consumer support mechanisms.

4. Assessment of policy formulation and implementation supporting vulnerable groups in the green economy of Vietnam

The evaluation of the current status of policy formulation and implementation supporting vulnerable groups in Vietnam's green economy underscores the proactive stance of the Party and the State in addressing climate change impacts. Over recent years, a series of guidelines, policies, and directives have been promulgated to steer the country towards sustainable development. Noteworthy among these are:

(1) Decision No. 432/QD-TTg dated April 12, 2012, by the Prime Minister approving the Vietnam Sustainable Development Strategy for 2011-2020. This Decision clearly outlines tasks: "Developing and implementing a green growth strategy to ensure the economy evolves towards a low-carbon model. Using

energy efficiently and effectively; developing clean and renewable energy to ensure national energy security. Gradually marketizing energy prices, increasing the proportion of clean and renewable energy in total energy consumption in Vietnam. Establishing an environmental economic accounting system and integrating environmental and social aspects into the System of National Accounts (SNA)."

(2) Decision No. 1216/QD-TTg dated September 5, 2012, by the Prime Minister on the "National Environmental Protection Strategy until 2020, with a vision to 2030" aims to "Control and fundamentally limit the increase in environmental pollution, resource degradation, and biodiversity loss; continue improving the quality of the living environment; enhance the capacity to proactively respond to climate change, aiming for sustainable national development" by 2020. By 2030, the goals include: "Preventing and reversing the trend of increasing environmental pollution, resource degradation, and biodiversity loss; improving the quality of the living environment; proactively responding to climate change; establishing the basic conditions for a green, low-waste, low-carbon economy for the prosperity and sustainable development of the country".

(3) Decision No. 1393/QD-TTg dated September 25, 2012, by the Prime Minister approving the National Strategy on Green Growth for 2011-2020 with a vision to 2050. This is the first comprehensive national strategy for green economic development in Vietnam. The overall objective set by the Government is "Green growth, progressing towards a low-carbon economy, enriching natural capital to become the main trend in sustainable economic development; reducing emissions and increasing greenhouse gas

absorption capacity to become mandatory and important indicators in socio-economic development gradually". The strategic tasks outlined include reducing greenhouse gas emission intensity, promoting clean and renewable energy, greening production, greening lifestyles, and promoting sustainable consumption.

(4) On June 24, 2020, the Prime Minister approved the National Action Program on Sustainable Production and Consumption for 2021-2023 to promote efficient and sustainable management, exploitation, and use of resources, fuels, and raw materials. The program encourages the development of environmentally friendly, renewable, reusable, and recyclable resources, fuels, raw materials, and products. It also aims to foster sustainable production and consumption based on innovation, practice, and the development of sustainable production and consumption models, promoting sustainable domestic production and consumption, creating stable and green jobs, and promoting a sustainable lifestyle while enhancing the quality of life for the population.

(5) The Resolution of the 13th National Congress of the Communist Party of Vietnam (2021) clearly states: "Proactively and effectively adapt to climate change, manage, exploit, and use resources rationally, economically, efficiently, and sustainably; prioritize the protection of the living environment and public health; resolutely eliminate projects causing environmental pollution; ensure the quality of the living environment, protect biodiversity and ecosystems; build a green, circular, and environmentally friendly economy."

As a result of the prudent directives and effective policies instituted by the Party and the State, Vietnam has witnessed a positive trajectory in its economic growth rate,

reflecting a recovery trend underscored by successive quarterly expansions. For instance, in 2023, the estimated economic growth reached 5.05%, with a notable progression observed across each quarter: 3.41% in the first quarter, 4.25% in the second quarter, 5.47% in the third quarter, and a peak of 6.72% in the fourth quarter. This growth was propelled by various sectors, notably agriculture, forestry, and fisheries, which contributed 0.46 percentage points with a growth rate of 3.83%. Similarly, the industry and construction sector recorded growth of 3.74%, contributing 1.51 percentage points, with the industry alone expanding by 3.02%. The service sector exhibited the highest growth at 6.82%, contributing 3.25 percentage points. Moreover, there was a notable increase of 3.33% in product taxes minus product subsidies (General Statistics Office, 2024).

Despite these advancements, the formulating policies for transitioning to a green economy has yet to adequately address the needs of vulnerable groups, leading to vague and general policies. For instance, Article 12 of Decree No. 02/2010/ND-CP dated January 8, 2010, on agricultural extension policies, stipulates: "Small-scale farmers and farmers from poor households are provided with 100% of the costs for materials and 100% of the travel, accommodation, and meal expenses when attending training." Additionally, Decision No. 1658/QĐ-TTg dated October 1, 2021, approving the National Strategy on Green Growth for the 2021-2030 period, with a vision to 2050, includes two solutions (in points "d" and "g") for vulnerable groups: (1) "Enhancing access to green finance for women and vulnerable groups in society"; (2) "Ensuring that different groups, especially those affected by economic restructuring associated with growth model innovation and vulnerable groups (women, children, ethnic minorities, the poor, and

people with disabilities) have equal access to opportunities, information, technical infrastructure, and basic social services, consistent with new fields and jobs during the transition to a green economy".

Meanwhile, transitioning to a green economy necessitates addressing new occupational skill demands, especially for vulnerable groups. This transition poses challenges such as job displacement, unemployment, skill shortages, and mismatches between existing workforce skills and those required by the green economy. Furthermore, economic pressures arise due to the impact of energy transitions and emission reduction efforts, necessitating significant investment in accessing green, clean energy sources.

5. Some solutions to improve support policies for vulnerable groups in Vietnam's green economy

First, regarding social welfare, the State needs specific policies to provide vulnerable groups with opportunities for training, support, and access to new production technologies to keep pace with the transition to a green economy. Additionally, there should be social welfare policies specifically for vulnerable groups who cannot keep up with this transition, such as job transition support, sustainable livelihood development, and the creation of new employment opportunities.

Second, regarding financial support, solutions must be developed to enhance the ability of vulnerable groups to access green finance, particularly for those affected by economic restructuring linked to growth model innovation. Potential measures may entail:

(1) Direct subsidies for people with low incomes and people with disabilities who transition to using green equipment,

potentially covering up to 50% of the equipment's value.

(2) Tax incentives and interest rate reductions for entities and social enterprises generating green employment opportunities for vulnerable groups.

(3) Integration of green vocational training into vocational training for ethnic minority students and students with disabilities.

(4) Prioritization of land allocation and green technology licensing for poor households and rural women who meet specified conditions.

(5) Provision of interest rate support or guarantees for green credit to facilitate the acquisition of capital for green technology ownership by vulnerable groups.

Third, regarding market information provision for goods and services, the State should devise supportive policies and mobilize organizations and enterprises to aid vulnerable groups in accessing markets for their products. Particularly in the era of digital transformation, promoting and facilitating the adoption of information technology through platforms such as e-commerce can serve as an effective and convenient avenue for these groups to penetrate the goods market.

Fourth, regarding public awareness campaigns, a multitude of programs and initiatives should be implemented to educate both the general populace and vulnerable groups about the tenets of green development, fostering a long-term ethos conducive to sustainable economic growth.

6. Conclusion

In conclusion, the transition to a green economy represents a strategic imperative and developmental trajectory for numerous nations, offering prospects for sustained business growth alongside enduring societal benefits across cultural, social, and

environmental dimensions. However, this transition disproportionately impacts vulnerable groups, engendering risks such as unemployment and barriers to accessing modern green technologies. Hence, it is incumbent upon the State to formulate requisite strategies, policies, and measures to ensure inclusivity and equitable progress during the transition to a green economy. This necessitates focusing on financial, credit, and technological support policies to empower vulnerable groups to actively participate in productive endeavors while safeguarding social welfare and stability.

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