

VIETNAM'S SUSTAINABLE DEVELOPMENT POLICY: FINDINGS AND RECOMMENDATIONS

NGÔ NGỌC CÁT^(*) (chief author). Vietnam's sustainable development policy: findings and recommendations. H.: Labour-Society, 2006, 67 pages.

Summarised by
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The project "Support to the Formulation and Implementation of Vietnam National Agenda 21 VIE/01/021" is executed by the Ministry of Planning and Investment with the financial support of UNDP, DANIDA and SIDA, and in collaboration with concerned sectors and localities. The project has four main components, one of which focuses on policy research and establishment of database of sustainable development (SD) in Vietnam. The research findings are an important input in the formulation of a sustainable development policy in Vietnam for the national modernisation and industrialisation. As part of the project VIE/01/021, a set of books has been published to disclose the research findings and serve as the reference for the design of sustainable development plan and policy. The books number at ten, covering ten topics, including "Vietnam's sustainable development policy: findings and recommendations". This book is a comprehensive monograph consolidated from a big number of review and research reports written by Prof., PhD Ngo Ngoc Cat as the chief author and a group of researchers from different ministries and government agencies.

The book provides basic and stratified information and practical experience on SD for economists, sociologists and environmentalists as well as policy makers and those concerned about Vietnam's SD. The following is the summary of the book.

In the centre of the research is the description of SD policy implementation in Vietnam and related recommendations. It is

intended to: 1/ provide an objective and comprehensive assessment of the national SDP, analysis of achievements and weaknesses of the implementation of the Law on Environment (1993), Resolution 41/NQ-TW of the Politburo on

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environmental protection in the national modernisation and industrialisation stage, and government Decision 153/2004/QĐ-TTg on the strategic objectives of SD in Vietnam (also known as Vietnam Agenda 21); 2/ provide appropriate recommendations for further improvement and refinement of blueprints for SD strategy implementation in Vietnam.

The book has three chapters of 67 pages.

Chapter 1: *General issues regarding SD;*

Chapter 2: *Overview and assessment of SD in Vietnam;*

Chapter 3: *Recommendations on institutional and policy development for fostering SD in Vietnam.*

The first part of chapter 1 states *the concepts of "development" and "sustainable development"*. Among different interpretations of these concepts, the definition of the World Committee for Environment and Development (1987) was selected as the ruling: *Sustainable development represents the development that meets current needs without prejudicing the capacity to meet future generations' demand*. This definition may be expanded with three basic components on sustainable development:

- *Economic perspective*: a sustainable economic system must continuously generate goods and services to an extent under control to avoid imbalance among sectors that may harm agricultural and industrial development.

- *Social perspective*: a socially sustainable

system must ensure equity in the distribution and provision of social services, including health care, education, gender equity, political involvement and responsibility.

- *Environmental perspective*: a sustainable development system must maintain stable resources and restrict any excessive exploitation. This includes the maintenance of biological diversity, air stability and other ecological activities. These include principal conditions related to sustainable development, namely maintaining population number at minimum level; optimising natural resources (reproducible and unreproducible); preventing environmental deterioration; improving energy effectiveness.

The second topic covered by this chapter is *different approaches to sustainable development in the world and Vietnam over the recent years*. The research underscores the following issues: in addition to the general principles on sustainable development, each country in the world chooses an appropriate approach on the basis of its specific features. Different approaches to sustainable development adopted by different countries were indicated in the chapter. *China* as a populated country published "Agenda 21 China" known as "A white book on China's population, environment and development in 21 century" in 1994. This programme focuses on sustainable development policy formulation, sustainable social development plan (population, social services, poverty reduction); sustainable economic

development (agricultural, industrial development, transport, energy production and consumption); resource utilisation and environmental protection. *Mongolia* is an unpopulated country and less developed country, thus sustainable development approach is primarily aimed at supporting human development, increasing people's living standard and creating a harmony between socio-economic development and ecological environment. *The Federation of Germany* is a highly developed country where the sustainable development strategy is based on approaching four factors of: equity among different generations; living quality; social and international responsibility linkage. In *Sweden*, the sustainable development strategy was designed in 2004 with 8 major points: future environment; limits to climate changes; community's population and health; social connectivity, social welfare and safety; working and social knowledge building; sustainable economic growth and competition; sustainable development and sustainable community planning etc.

The institutionalisation of sustainable development policy in Vietnam is the next topic covered by the chapter. A number of milestones were provided which demonstrate that the awareness on sustainable development in Vietnam has been increased. In 1991, the government issued Decision 187/CT on national action plan on environment protection for 1991-2000. In 1992 Vietnam officially entered into the Pronouncement on environment and sustainable development at the conference

Rio de Janeiro in Brazil. In 1993, the Law on Environmental Protection was issued. This is the legal basis governing actions and behaviors of each individual, organisation and the society for the purpose of environmental protection. In 1998, Directive 36 CT/TW of the Politburo affirmed Vietnam's stance on sustainable development, which stresses: environmental protection is an integral part of the socio-economic development policies of all ministries, levels and an important basis to ensure sustainable development. In 2002, the government launched a comprehensive strategy on growth and poverty reduction. In 2003, "The national environmental protection strategy towards 2010 and direction to 2020" was officially approved by the government, in which Vietnam's view on sustainable development was reaffirmed. In 2004, "Sustainable development direction in Vietnam" (Vietnam's Agenda 21) was issued under Decision 153/2004/TTg, which states long-term goals, priority areas, policies and measures for implementation. Also in 2004, Resolution 41-NQ/TW of the Politburo on environmental protection in the national industrialisation and modernisation affirms Vietnam's perspective on sustainable development and environmental protection. In 2005, the National Assembly of IX legislature, 5th session ratified the amended Law on Environmental Protection. The law in 2005 reflects the following views and principles: rapid, efficient and sustainable development, economic growth combined with ensured progress, social equity and

environmental protection. The increased awareness on sustainable development reflects Vietnam's view on sustainable development. This view has been incorporated in sustainable development goals and institutionalised in the documents of the Party, government programmes and targets.

The next part discusses *actual status of sustainable development in Vietnam*. This part highlights a prevailing question regarding actual sustainable development in Vietnam, i.e. where Vietnam is positioned on its roadmap towards sustainable development. Taking into account different factors related to sustainable development, it can be concluded that *Vietnam is in the initial stage on the pathway to sustainable development*.

The fourth topic of the chapter is the impact of a number of current economic policies that constrain present sustainable development in Vietnam. The research also indicates the pre-emptive effects of the economic policies on agriculture, forestry and fishery production (grouped into six groups on land, investment, work force training, employment, science-technology and farming expansion, agricultural product sale and infrastructure); the impact of energy and urbanisation policy on sustainable development in Vietnam. In each of its parts, the research indicates limitations of each group of policies. For example, the group of policies on work force training and employment is in favour of tertiary education, while neglecting skill training for workers, particularly for

attracting off-farm workers. The policy on training of rural workforce is generic and fails to lure technical workers to rural areas.

The next part of the chapter points out nine key principles to establish a developed society and specific points of the five criteria for sustainable development assessment, including economic, social, cultural, environmental and other institutional criteria.

The last part is in regard of *major enablers and hindrances to sustainable development in Vietnam*. The major enablers are listed as follows: Vietnam has attracted different sources of overseas funding, deployed modern technologies and learned extensive experiences on management at high level in the course of international integration; the poverty reduction has gained remarkable achievements; the Party and the government persistently instructs the implementation of three core tasks for accelerating sustainable development in Vietnam; the economy has posted comprehensive growth over the last five years.

The research also states positive impact of the causes leading to the achievements in sustainable development in Vietnam. It laid emphasis on the vigorous resolution and determination of the supreme government authorities (the Party, National Assembly, the government), initial awareness which is quite fair, the policies and schemes that are increasingly targeted at sustainable development requirements for a single national network for sustainable development. These are the fundamental

enablers for Vietnam to meet sustainable development requirements.

Major challenges indicated are the remaining low quality of development. This is a big challenge for Vietnam. From an overall, Vietnam's economic growth mainly relies on sources of external funding and investments in natural resources. From the experiences of different countries, if economic growth is merely based on investments in resources other than processing technologies, it will definitely be impaired under the Rule of decreasing gains. This will lead to instability in development. The on-going stiff competition in the world is also a big challenge for Vietnam. The country's competitiveness is the key factor for growth quality. Our country's competitiveness remains low. That, added with Vietnam's late integration into the world's economy, places competition pressures onto Vietnam. Another challenge is concerned with resources. Vietnam has abundant young workforce. However, the rate of trained workers remains low at only 20%. They lack required professional skills and market knowledge. Vietnam is faced with severe shortage of technically-skilled workers and top experts in the spearhead industries. There are a lot of discrepancies in development policies and institutional procedures, human resource management and labour regulations. Economic challenges are also significant for sustainable development. They are the low quality of growth, low competitiveness, slow economic transformation, with some

macro economic indicators remaining unstable and international business relations undeveloped. In addition, the policy and regulatory framework on social and cultural development are far from detailed whereby critical social issues remain unresolved. These are substantial challenges for Vietnam to accomplish the sustainable development goals.

Chapter II provides an *overview and assessment of sustainable development policy in Vietnam*.

The first part sets out *the goals, viewpoints, principles and priority actions for sustainable development in Vietnam*.

The overall goal of sustainable development as incorporated in the 2001-2010 socio-economic development strategy introduced by the 9th Plenary session of the Communist Party is to ensure the abundance in material, the spiritual and cultural affluence, the equity for citizens and unanimity of the society; the harmony between people and nature; development must integrate three aspects of economic, social developments and environmental protection. Different objectives for sustainable development in regard of economic, social and environmental aspects are also set out specifically.

The next part sets forth *key principles* for achievement of sustainable development objectives. They are: 1. Human is the cornerstone of sustainable development; 2. Economic development is the key task of the next stage of development; 3. Protection and improvement of environmental quality

must be regarded as an integral part of development; 4. Development must equitably meet the needs of the present generation and not hamper future generation's life; 5. Science and technology serve as the platform and engine of development; 6. Sustainable development is the cause of the entire Party and agencies of all levels, communities and people; 7. Consolidate independent economic development with initiatives for international economic integration for national sustainable development; 8. Incorporate socio-economic-environmental development with defence security maintenance.

Priority areas in sustainable development policy, i.e. in economic development focus on fast and sustainable growth; transformation of production and consumption model towards environment-friendly model; implementation of "clean modernisation"; sustainable agricultural and rural development; sustainable development in different regions and localities. Areas of social development include acceleration of poverty reduction, social advancement and equity; mitigation of population growth and employment generation; urbanisation and resettlement for urban sustainable development, reasonable allocation of population and labour force by region; education quality improvement; increase of social services in terms of both quantity and quality and improvement of working and environmental hygiene conditions. Priority areas are aimed at sustainable environmental development including

prevention of land degradation, effective use of natural resources and forest resource protection.

The second topic covered by the chapter is: *assessment of the implementation of sustainable development policies in Vietnam*. The most significant achievements were underscored in respect of Vietnam's socio-economic development objectives for 2001-2010 period. These include Decision 153/2004/QĐ-TTg indicating sustainable development direction in Vietnam. This direction is in essence a framework strategy incorporating large-scale economic, social and environmental directions that serve as the legal basis for implementation by ministries, agencies, localities, entities and individuals and their cooperation to ensure the national sustainable development. Legal documents on environmental protection have been issued including government Decree 26-CP on administrative penalties in respect of environmental protection; environmental standards set in the Law on Environmental Protection and government Decree 175/CP guiding the law. The system of environmental standards has been developed and adopted. Regulatory documents guiding the application of economic tools in environmental protection have been released, including government Decree 67/2003/NĐ-CP on environmental protection fees and Decision 64/2003/QĐ-TTg on dealing with plants and factories that cause environmental pollution. The implementation of legal documents on environmental protection was attended to. Also, the awareness on environmental

protection of businesses and people was increased.

Certain weaknesses are also indicated. For example, there is a tendency for seizing immediate economic benefits while environmental benefits are neglected; the unsanitary conditions are still rampant whereby extermination in fish production is still in use. Environment management agencies, though having been enhanced, are still in shortage and incapable. The inter-ministry and inter-regional cooperation is ineffective. Meanwhile, the value of investments in environmental protection is low. Businesses still neglect investment in renovation of technology and equipment for environmental pollution minimisation. Investment efficiency is low with scattered funding; The regulatory procedures are far from strict to prevent and punish environmental protection violations. Also, appropriate market-based measures are yet to be enacted. The causes leading to the above weaknesses come from the inadequate perception of different levels, agencies and the people on environmental protection. The agencies in charge of environmental protection are still in shortage and unqualified. Under the national modernisation and industrialisation, given such weaknesses, the environment is exposed to further pollution and deterioration. This is alarming and needs to be resolved to ensure sustainable development.

Chapter III states *recommendations for institutional and policy development for sustainable development maintenance in*

Vietnam.

The first recommendation is the organisational structure of management agencies needs to be improved and the Agenda 21 of Vietnam be implemented. The overall objective is to strengthen the organisational structure of management agencies, implement sustainable development strategy at different levels in Vietnam towards successful achievement of sustainable development. Based on the overall goal, specific objectives are to establish top-down management authorities from central to grassroots levels for consistent and close monitoring of the sustainable development strategy formulation and implementation in Vietnam. The organisational structure should include a National Sustainable Development Council tasked with guiding and monitoring the implementation of Agenda 21; coordinating inter-agency and inter-locality cooperation activities under sustainable development strategy; overseeing the education and propaganda on sustainable development. The research also recommends on organisational and operational plans of this Council. At provincial and municipal level, a provincial or municipal Sustainable Development Council should be in place. In addition, there are recommendations on functions, tasks, and organisational and operational plans. At grassroots level, local sustainable development councils or departments should be set up. Their functions, organisation and operation are also recommended.

The second recommendation concerns the development of sustainable development policies in Vietnam. These are required to achieve socio-economic development goals for 2001-2010 whereby coordinated environmental management and sustainable development policies in three economic, social and environmental aspects should be mapped out. These should aim at freeing up and deploying labour force to maximise all available resources and potential to gain a breakthrough in economic transformation, growth acceleration to transform Vietnam into a country with developed industry and agriculture; comprehensively developed science and technology and education for improving human resources and knowledge-based economy to meet industrialisation and modernisation requirements.

The third recommendation is in regards of sustainable development policy in the key aspects of improving sustainable development; urbanization and urban development policy; sustainable energy development; sustainable development policy for industry, agriculture; fishery production

development policy towards sustainability; resource management policy and management of river valley for sustainable development.

The last part states conclusion. First, to achieve overall goals for sustainable development set out in Vietnam Agenda 21 and specific objectives, consistent measures need to be taken, of which policy and legal framework are important. Second is the need for balanced development in all areas, of which economic and socio-cultural development play an important role. Sustainable development is a long-term process that requires concrete policies and action plans to deploy to the utmost all the national potential, close cooperation among central and local agencies and establish the initiatives in policy implementation. Implementation monitoring should be enhanced and timely adjustments of mechanisms and policy should be made. Also, all-round cooperation and support from international communities should be obtained for sustainable policy development in line with international trends towards integration and mutual benefits.