

SCIENCE – POLICY INTERACTION AND LOW CARBON TRANSITION

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Vietnam's Current Status (vs. LCS)

Problems of development:

- Over-use of natural resources for development,
- (Very) High rate of material/energy use for a unit of GDP
- Obsolete technology → high consumptions of energy & materials for production and polluting environment.
- Improper behavior of consumption in majority of population.

Main Reasons:

- National policies cherish illusions of creating “advantages” for the economy by subsidising some strategic goods (energy, env.,...)
- Local governments need high growth rate/GDP in their places → create opportunity for businesses to disregard envt'l/social issues
- Business utilized the conditions to gain “quick money”, regardless of envt'l and social consequences (opportunity for corruption and unfair competition, incl. FDI businesses!)

Distortion along the Chain: Research – Policy – Practice

(How to make a policy of LCG work!)

Researcher (scientific work):

- Try to find the most “reasonable” mode of development (w. new technologies) upon considering constraints of resources and needs of society.

Policy maker/manager:

- Needs to balance the “theoretical principles” with practical capability → try to compromise the “best theoretical results” to some “acceptable outcome”. [successful in developed countries]

Practitioner (business):

- Try to get most of possible benefits; try to avoid “losses” as much as possible (manipulation of laws/regulations) [developing countries]

The urgent need:

- To develop/improve the legal system, esp. the pricing system with taxes/incentives, to adjust behaviors & to remove unfair competition

Way to Overcome (for LCG in Vietnam)

- The most important: research to improve pricing mechanism (w. taxes/ incentives) and legal systems, incl. law enforcement, (step by step) remove subsidizing for energy and encourage production and consumption of "green" products, i.e. conditions for the economy to innovate **in a natural manner** – modeling tools would have an important role for forecasting [theoretical].
- Need support: Summary of good practice/lessons on how to remove subsidizing energy to promote EE & LCG, to avoid shock to the economy/society. [policy making/management]
- Transition to LCG: businesses take into account environmental and social costs, they find it beneficial when invest into green products and/or services, with other social outcome as well. [practice]

Thank you!

