

Building a New Economic Model Based on the Principles of Sustainable Development and the SDGs in Ho Chi Minh City

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Abstract: This paper proposes the development of a new economic model that aligns with the principles of sustainable development and the United Nations' Sustainable Development Goals (SDGs). The current economic systems have led to numerous environmental and social challenges, such as climate change, inequality, and resource depletion. To address these issues, it is crucial to adopt an economic model that integrates sustainability as a core principle. The proposed economic model focuses on achieving economic growth while simultaneously promoting social well-being and environmental stewardship. It recognizes the interdependence between the economy, society, and the environment and seeks to balance these three dimensions to ensure long-term prosperity for present and future generations. Implementing this new economic model will require significant efforts from governments, businesses, and individuals. It will involve policy reforms, investment in sustainable infrastructure, capacity building, and raising awareness about the benefits of sustainable development.

Keywords: Economic model, sustainable development, environmental stewardship, economic growth, social well-being

1. Introduction

The current global economic model has been instrumental in driving substantial economic growth and technological advancements. However, it has also contributed to various environmental and social challenges that threaten the well-being of present and future generations. Issues such as climate change, biodiversity loss, social inequality, and resource depletion have reached critical levels, necessitating a fundamental shift in the way we approach economic development. To address these challenges, there is a growing recognition of the need to build a new economic model that aligns with the principles of sustainable development and the United Nations' Sustainable Development Goals (SDGs). The SDGs provide a comprehensive framework for addressing global issues, including poverty eradication, clean energy access, sustainable consumption and production, and climate action, among others. A sustainable economic model goes beyond the traditional focus on economic growth and profit maximization. It recognizes the intrinsic interdependence between the economy, society, and the environment, and aims to achieve a harmonious balance between these dimensions. It seeks to ensure that economic activities not only generate wealth but also promote social well-being and environmental stewardship.

At the core of this new economic model is the integration of sustainability into economic policies and decision-making processes. Economic policies must be aligned with the objectives of sustainable development, taking into account environmental and social considerations. This

entails reevaluating investment choices, taxation policies, and resource allocation to ensure that they contribute to long-term sustainability. A key principle of the new economic model is the transition towards a circular economy and resource efficiency. The linear "take-make-dispose" model of production and consumption is no longer viable in a world with finite resources and mounting waste. Embracing a circular economy involves designing products for durability and recyclability, minimizing waste generation, and maximizing the reuse and recycling of materials. [5] This shift not only reduces the pressure on natural resources but also creates new economic opportunities and jobs. Furthermore, the new economic model recognizes the importance of social inclusivity and equity. It acknowledges that sustainable development cannot be achieved without addressing social inequalities and ensuring equal opportunities for all individuals. Policies and interventions should focus on reducing poverty, improving access to education and healthcare, and promoting inclusive economic growth that benefits marginalized and vulnerable populations. Innovation and technology play a crucial role in driving sustainable economic growth. The new economic model encourages the development and adoption of clean technologies, renewable energy sources, and sustainable production methods.

It recognizes that technological advancements can significantly reduce environmental impact and enhance resource efficiency, leading to more sustainable and resilient economies. Achieving the transformation outlined by this new economic model requires collaboration and partnerships among various stakeholders. [6] Governments, businesses, civil society organizations, and individuals

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must work together to leverage their respective strengths and resources. Collaboration can facilitate knowledge sharing, resource mobilization, and collective action towards achieving the SDGs and building a sustainable future. While implementing this new economic model poses significant challenges, the potential benefits are immense. By prioritizing sustainability and aligning with the SDGs, we can create a future where economic growth coexists with social well-being and environmental preservation.

This paper explores the key principles and strategies of this new economic model, providing insights into the path towards a more sustainable and inclusive world. Regarding the content of the 2030 Agenda for Sustainable Development, the General Statistics Office of Vietnam acknowledges and appreciates the work of the Inter-Agency and Expert Group on Sustainable Development Goals (IAEG) in 2023, including the proposed annual revisions to the SDG indicators in Annex 1 of the report. Additionally, the General Statistics Office of Vietnam strongly agrees with the proposed criteria for the comprehensive review of the indicator framework in 2025, with the aim of avoiding significant changes to the initially deployed SDG indicator framework in most countries or adding a reporting burden to the national statistical system. Since the global SDG indicator framework was adopted, Vietnam has localized and developed its own set of Sustainable Development Statistics comprising 158 indicators (including both global SDG indicators and Vietnam-specific indicators) and has made significant efforts in implementing these SDG indicators. In 2024, Vietnam plans to revise its set of Sustainable Development Statistics to align with the new context and enhance data availability for reporting on the global SDG indicator framework. During the revision process, Vietnam will review and update the annual changes made by the IAEG, assess the implementation capacity in Vietnam to ensure appropriate regulations, and continue learning from good practices and experiences of other countries through "The SDG Good Practices" website.

In order to enhance data innovation for sustainable development, the General Statistics Office of Vietnam is also participating in the "Data for Now" project to learn and strengthen data collection for selected SDG indicators. Additionally, in the process of preparing voluntary national reviews and national SDG reports, Vietnam is expanding the involvement of civil society organizations in addition to utilizing official statistical data. However, these new data

sources have not been widely researched and applied in Vietnam, posing challenges to the General Statistics Office of Vietnam in terms of data innovation. Therefore, there is a desire to receive more support from international organizations in this regard to enable early application and implementation in Vietnam.

2. Literature review

The sustainable development of a socio-economic system is supported by several key factors (Shamaeva, E., 2019). These factors include: 1) improving technology efficiency, 2) enhancing resource utilization efficiency, and 3) optimizing flow management efficiency. It is important to note that sustainable development is not achieved by simply increasing total energy consumption, as this leads to extensive growth rather than the development of the social production system (Bolshakov, B. et al., 2019).

Sustainable development is an ongoing process that aims to continually increase the ability to fulfill the system's existing and constant needs by improving the overall power efficiency of the system, minimizing losses, and avoiding unnecessary increases in energy consumption, while also considering external and internal influences. By introducing the invariant measure of 'power' in sustainable development management, it becomes possible to establish measurable relationships between needs and capabilities, and develop indicators and criteria for sustainable development in line with the projected class of systems "man-societies-nature". [1] There exists a causal relationship between the law of life development and the principle of sustainable development in society.

This connection is defined by the concept of the "life process" within the societal-natural system. The societal-natural system encompasses two interconnected processes: a) the active impact society has on the environment, and b) the utilization of resources by society resulting from this impact. These processes form the essence of societal life (Bolshakov, B. et al., 2019).

3. Research Methodology

This study utilizes observational analysis as its methodology, which involves observing, recording, and analyzing real-world data. The focus is on examining phenomena, events, and behaviors exhibited by the research subjects. Furthermore, the method incorporates content analysis to interpret the observed data, aiming to identify patterns and models within the dataset.

4. Research result and discussion

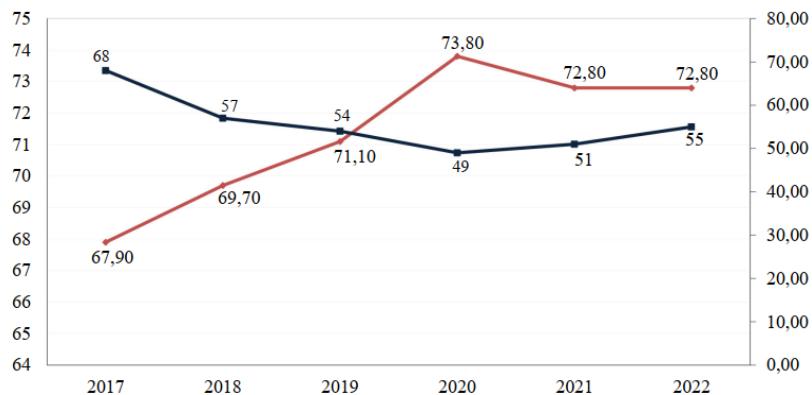


Fig 1. SDI in Viet Nam

Source: sustainable development report (2022)

According to the SDI (SDG Index), The red line is the score, the blue line is the ranking. Vietnam has made significant progress in achieving SDG 4, while facing challenges in implementing SDG 1, SDG 7, SDG 12, and SDG 13. However, substantial challenges remain for the remaining goals. In an unpredictable global landscape,

intense geopolitical conflicts, the lingering impact of the Covid-19 pandemic, significant risks of climate change, and environmental pollution, domestic socio-economic development still faces many existing limitations and challenges. As a result, several SDG targets are unlikely to be achieved by 2030.



Fig 2. Viet Nam ranks SECOND among ASEAN member states in sustainable development index.

Source: the Sustainable Development Report (2019)

Global sustainable development rankings of 9 ASEAN member States with Thailand (40th - the bloc's top performer), Viet Nam (54th), Singapore (66th), followed by Malaysia, the Philippines, Indonesia, Myanmar, Laos, and Cambodia. In the past year, Vietnam and the Parties involved have expressed confidence that the decision to establish the Green Strategic Partnership between the Government of the Socialist Republic of Vietnam and the Government of Denmark has opened a new chapter in the friendly relations and cooperation between the two countries. Ambitious goals and specific actions will be

determined in various areas and outlined in the context of the existing Action Plan related to the Joint Statement on Comprehensive Partnership between the Parties. It is hoped that in the future, Vietnam can provide directions and solutions to stabilize macroeconomic conditions, support businesses in pursuing sustainable economic development, continue investing in human capital, particularly through providing essential, accessible, equitable, and high-quality social services.

Efforts will be made to promote the recovery of economic sectors in a green and circular manner to ensure sustainable economic development while providing the foundation for social welfare solutions and simultaneously minimizing environmental pollution, protecting natural resources, and addressing climate change. Continued implementation of

synchronized measures will be undertaken to mobilize and effectively utilize financial resources for achieving the SDGs, particularly from the private sector. Enhanced data capacity will be pursued to provide timely evidence for monitoring, surveillance, and evaluation of the SDG targets.

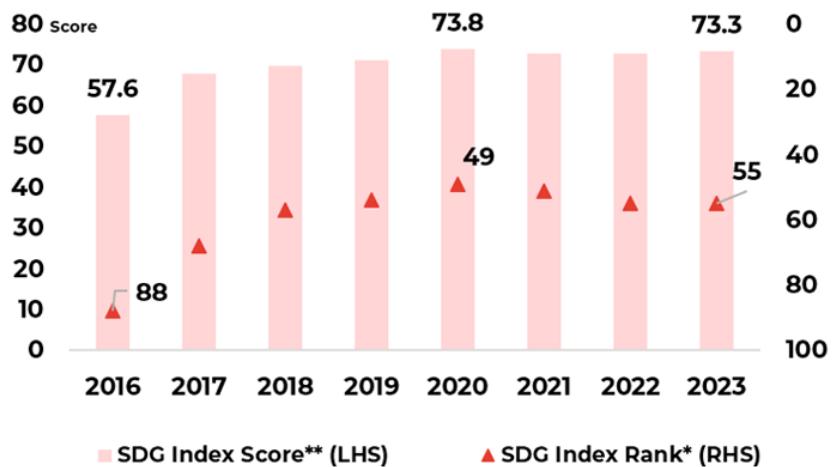


Fig 3. Viet Nam SDGs Overall index score and rank in the period of 2016-2023

Source: Sustainable development report (2023)

The numbers above show that Vietnam's remarkable journey toward sustainable development is a testament to a nation rich in culture and progress, evidenced by its commitment to strategic investments in human capital, infrastructure, and social protection. At the midpoint of the agenda, Germany's Charge Affairs in Vietnam recognizes a crucial opportunity for international collaboration to support Vietnam's SDG endeavors. The nation's steadfast commitment is underscored by ongoing investments, fostering a platform for global cooperation.

5. Recommendation

Create a dedicated committee consisting of government officials, experts, and stakeholders to oversee and coordinate the implementation of sustainable development initiatives in Ho Chi Minh City. This committee should be responsible for setting goals, developing strategies, and monitoring progress towards achieving the SDGs. Formulate a comprehensive action plan that aligns with the SDGs and addresses the specific challenges and opportunities in Ho Chi Minh City. The plan should include measurable targets, timelines, and clear strategies for each SDG, focusing on areas such as renewable energy, waste management, sustainable transportation, affordable housing, and social inclusion. Invest in green infrastructure projects that enhance the city's resilience to climate change and promote sustainable urban development. This can include the development of green spaces, urban forests, and sustainable drainage systems.

Encourage the adoption of green building practices and incentivize the use of renewable energy sources in new constructions. [3] Encourage businesses and industries in Ho Chi Minh City to adopt circular economy principles by promoting resource efficiency, waste reduction, and recycling. Implement policies and incentives to support the development of eco-industrial parks and encourage the reuse and recycling of materials. Facilitate collaboration between businesses, research institutions, and government agencies to promote innovation in circular economy practices.

Improve the city's public transportation system to reduce reliance on private vehicles and promote sustainable mobility options. Invest in the expansion of public transportation networks, including buses, trams, and metro lines. Encourage the use of electric vehicles and develop infrastructure to support their charging. Implement measures to reduce traffic congestion, such as congestion pricing and carpooling initiatives. Engage and involve local communities in the sustainable development process. [4] Promote public participation and awareness through education campaigns, workshops, and community-based initiatives. Support the development of social enterprises and cooperatives that contribute to sustainable economic growth and address social challenges. Establish a robust data monitoring and reporting system to track progress towards the SDGs in Ho Chi Minh City. Collect and analyze relevant data on key indicators to assess the city's performance and identify areas for improvement. Ensure

transparency and accountability by regularly publishing reports on progress and sharing information with stakeholders. Foster partnerships between the government, private sector, and civil society organizations to leverage resources, expertise, and innovative solutions.

Encourage businesses to integrate sustainable practices into their operations and support initiatives that promote social and environmental objectives. Facilitate dialogue and collaboration platforms to foster knowledge sharing and collective action. Ho Chi Minh City can build a new economic model that prioritizes sustainable development and aligns with the SDGs. This will contribute to the city's long-term prosperity, resilience, and well-being of its residents while addressing pressing environmental and social challenges. Collaboration with development partners and responsible foreign investors plays a crucial role in supporting Vietnam's national efforts over the next seven years. It is essential to combine international cooperation with domestic action to realize Vietnam's vision of sustainable development by 2030.

Embracing sustainable practices not only benefits Vietnamese businesses but also provides a powerful tool for foreign companies to contribute to Vietnam's sustainable development and achieve multiple Sustainable Development Goals. By aligning their operations with these principles, companies can enhance their operational efficiency, strengthen their brand image, and contribute to addressing social and environmental issues in Vietnam. ESG Frameworks: ESG frameworks play a vital role in assisting Vietnamese businesses in navigating and advancing Sustainable Development Goals, with a specific emphasis on environmental, social, and governance aspects. Green Supply Chain Management aims to reduce the carbon footprint and waste by implementing practices such as local sourcing, optimizing transportation routes, and minimizing packaging waste. Businesses have an opportunity to capitalize on Vietnam's abundant natural resources by investing in solar, wind, and hydropower. This helps reduce dependence on fossil fuels and promotes the use of clean, renewable energy sources. Adopting circular economy principles involves implementing practices that reduce waste and enhance resource efficiency. This includes designing products for reuse, recycling, and repair, as well as implementing closed-loop production systems. Furthermore, the recognition of same-sex marriage and ensuring equality in society remains an area where Vietnam is lagging behind. Currently, Vietnam has not recognized same-sex marriage and does not have clear legal provisions regarding equal rights for the gender equality community.

Promoting equality and recognition for the GENDER equality community is an important issue in building a just and sustainable society. nevertheless, vietnam has seen

positive developments in increasing awareness and providing education on gender equality rights in areas such as education, healthcare, and human rights. being sensitive to and willing to listen to the perspectives and demands of the gender equality community will play a crucial role in promoting social progress and ensuring equality for everyone. vietnam needs to intensify efforts to improve and achieve the sdgs in the near future, particularly concerning issues related to the gender equality community. implementing these measures will significantly contribute to building a just, diverse, and sustainable society for the gender equality community and gender equality in general in Vietnam

6. Conclusion

Building a new economic model based on the principles of sustainable development and the SDGs in Ho Chi Minh City is crucial for ensuring long-term prosperity, environmental sustainability, and social well-being. By establishing a dedicated committee, developing a comprehensive action plan, promoting green infrastructure, fostering circular economy practices, enhancing sustainable transport, empowering local communities, strengthening data monitoring and reporting, and fostering public-private partnerships, the city can make significant progress towards achieving the SDGs. This transformation will not only address current challenges such as climate change, pollution, and social inequality but also create opportunities for economic growth, innovation, and a higher quality of life for its residents. It requires collaboration, commitment, and active involvement from government, businesses, communities, and civil society to create a sustainable and inclusive future for Ho Chi Minh City.

Conflict of interests

None

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