
Institutional change and market conditions for low-carbon electricity transition in Vietnam

Hoang Anh Nguyen Trinh^{*1,2,3}

¹Centre International de Recherche sur l'Environnement et le Développement (CIRED) – AgroParisTech, École des Ponts ParisTech (ENPC), Ecole des Hautes Etudes en Sciences Sociales (EHESS), CNRS : UMR8568, Centre de coopération internationale en recherche agronomique pour le développement [CIRAD] : UMR56 – 45 bis, avenue de la Belle Gabrielle - 94736 Nogent-sur-Marne Cedex, France

²Clean Energy and Sustainable Development Lab (CleanED) – Vietnam

³Université des Sciences et des Technologies de Hanoi - USTH (VIETNAM) (USTH) – Vietnam

Abstract

The paper develops a mesoeconomic approach to the low-carbon electricity transition in Vietnam. We argue that political will is a necessary but insufficient condition for such a change. In this perspective, we identify key players, and point out the institutional and structural characteristics of the electricity market which may impede the takeoff of renewable resources. Indeed, the transition process depends on interdependent organizational decisions and implies a fundamental transformation of the stakeholders' positions and relations. In particular, it necessitates the existence of a critical mass of initiating actors that perceive the benefits of investing in renewables and have the leverage to redefine the rules of the game, therefore modifying the institutional framework and enabling the constitution of new structural interdependencies inside the electricity system. During the current period, the conditions of the wholesale market appear as a determining factor in relation to the pace of the low-carbon transition. Then, we propose an analytical grid to apprehend the change path by following the trend in some focal variables. Among others, feed-in tariff and subsidies to the single-buyer indicate the balance of power between the major stakeholders and reflect the stages of the transition process.

*Speaker