

# STATE MANAGEMENT INNOVATION IN VIETNAM: AN URGENT REQUIREMENT FROM DIGITAL TRANSFORMATION

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## **Abstract**

State management has strongly been influenced by social changes of which digital transformation is posing new requirements for management activities of state agencies. Digital transformation is an inevitable trend of the 4th industrial revolution (revolution 4.0) with the rapid development of digital technologies. Thanks to the technology applications, new values in terms of management activities of state agencies are created, which helps to change their thinking, working habits, and management methods. In line with the social change, Vietnam has actively participated in the 4.0 revolution and developed a national digital transformation program. Noticeably, it is important to address the compatibility of the traditional state management method with the new one in the trend of the digital transformation as a role of new technologies so that high results in working performance could be achieved. This means that the digital transformation process with the digital technology applications must be consistent with state management characteristics; meanwhile, state management activities need to be changed compatibly with the digital technology applications in the digital transformation trend. Given the characteristics of state management in Vietnam as well as attributes and roles of digital transformation, innovations for state management activities to meet the requirements of digital transformation are recommended in this study.

**Key words:** State management; Digital transformation; Digital civil servant; Digital citizen; Vietnam.

## **1. Characteristics of state management in Vietnam**

The term "state management" is commonly defined as the exercise of the state power by state agencies to establish a social order and develop society in response to the goals set by the ruling class. State management refers to all activities of the entire state apparatus (legislative, executive, judicial), operating as a unified entity (Hue, L.T. et al., 2022). In the light of this view, state management activities are identified with the following main characteristics: state agencies are subjects of state management activities; social relations are objects of state management activities; establishing and maintaining the social order and development is the goal of state management activities; state management measures are rules of law, that is, social relations are regulated by law and ensured with the state power.

State management activities are different in different countries. This difference is due to the impact of political institutional factors, state institutions, national cultural features, etc. State management activities of some federal countries clearly demonstrate the decentralization of power between the center and localities and among local authorities, building a self-governing local government system (Thuong, N.M., 2018). There is also a combination of deconcentration (French term) and decentralization in state management or dual supervision (Party agencies and upper state agencies jointly direct and supervise the state management activities of lower - level agency) in some countries. Moreover, there are some countries with a unitary state type and centralized state power and state management activities are unified with a unique form, showing little decentralization of power between the central and localities and among local authorities (Truong, P.N., 2016).

Vietnam is a country with a political regime led by one Party (the Communist Party of Vietnam is the only political organization): The Party leads the state and the entire society; the state manages society based on the Party's orientation. The state management activities are carried out with the principle, which is the rule of law: management activities are guaranteed to be implemented by the state power in all areas of social life. However, the state management activities in Vietnam also have their own characteristics, influenced by political factors, which is compliance with the principle of Party leadership: The Communist Party of Vietnam orients the state of Vietnam with policies, guidelines and strategies for national development and the state of Vietnam institutionalizes the Party's policies, guidelines, and strategies into specific legal documents and puts them in practice to manage the society (VNA, 2013).

Accordingly, state management activities in the digital transformation trend are carried out with the rule: The Party is the leader, the State is the implementer and manager. In 2019, the Party set out guidelines and policies to actively participate in the 4.0 revolution: "Defining the core of the active participation policy in the 4.0 revolution is to promote scientific and technological development, promote the national digital transformation with a focus on developing a digital economy, building smart cities, e-government and moving towards a digital government" (CPV, 2019). In 2020, the Prime Minister issued the national digital transformation program, which affirmed: "Developing a digital government to improve the effectiveness and efficiency of state management; developing a digital economy to improve the competitiveness of the economy; developing a digital society to narrow the digital gap" (PM, 2020).

## **2. Digital transformation and its roles to state management activities**

Digital transformation is an inevitable trend of the 4th industrial revolution (revolution 4.0) with the rapid development of digital technologies. Thanks to the technology applications, new values in terms of management activities of state agencies are created, which helps to change their thinking, working habits, and management methods. In terms of the roles of digital transformation, MIC (2021) and Hung, D.V. (2022) affirm: Digital transformation is the comprehensive changing process of individuals and organizations in their way of living, working and production methods based on digital technologies.

In other words, digital transformation is the transformation of the operating model based on digital technologies and digital data. According to Trung, N.S. (2022), digital transformation is the next step of information technology applications, which leads to more effective processes of operating models in organizations. In addition, Nghia, L.T. (2021) takes the civil servants' professional activities in the digital transformation trend as an illustration: Traditionally, civil servants performed their public duties mainly in the form of paper work and direct communication with citizens; however, nowadays, in the digital age, civil servants handle their work mainly through electronic documents and online exchanges. In this way, digital transformation has created a new method of performing public duties, that is, the online method steps by steps replaces the traditional one in state agencies.

Digital transformation with digital technology applications creates new values leading to new organizational and operating models for state management activities. Society is constantly changing; the 4.0 revolution poses the need to integrate technologies and exploit big data in the digital form so that state agencies can best perform their social development governance. Therefore, digital transformation is an inevitable trend; if any state agency, business, and citizens do not adapt to this change, they will be soon left behind. In terms of management, there have been studies showing that digital transformation can bring benefits and significance to state agencies, businesses, and citizens in the process of the social development governance. This, is proved not only with innovative changes in the implementation, management and provision of public services, time and cost - savings for state agencies, businesses and citizens and with the development of a digital government and digital society model.

- Firstly, digital transformation is the foundation for a digital government model to be developed. When digital technologies are applied, all management activities (making laws, policies, providing public services, etc.) of state agencies are carried out in the digital environment. Civil servants are also trained to master digital skills for their regular duty performance and interactions in the digital environment. Gradually, their working habits and interactions have been changed in accordance with the digital working environment; the digital culture in public service activities, then, also exists. This not only helps improve the effectiveness and efficiency of management activities, but also innovates the management model, leading public service provisions to be carried out with digital technologies and digital data and enabling citizens and businesses to conveniently participate in the state management activities. Thus, it can be seen that successful digital transformation will support state agencies to operate safely in the digital environment and develop a management model designed and operated based on digital data and digital technologies so that better public services could be provided, decisions can be made in time, and policies could be more effective.

- Secondly, digital transformation is the foundation for a digital society to be developed: When digital technologies are widely applied, citizens and businesses will actively participate in social activities and the state's policy - making process in the digital environment and benefit from online public services provided with lower costs and faster transaction.

As a result, people's rules of conduct, ethical standards and enjoyment of cultural values in the digital environment are progressively developed. Hence, digital transformation with digital technologies and digital data is the main driving force of digital society development, changing every aspect of the social life with the aim of serving and protecting the interests of people and businesses. However, it is necessary for smart devices to be the main means by which citizens and businesses use to access various public services, such as ordering goods, paying for electricity bills, money transfer, medical examination, etc. Moreover, these devices also allow citizens and businesses to participate in the policy - making process of state agencies. Therefore, developing a digital society demands the universalization of smart devices for people to bring them equal opportunities to experience public services, training, and knowledge as well as narrow the development gap, and reduce inequality in the digital age. The synchronous support from the state is also needed for the digital society model to be effectively operated.

When a digital government and a digital society are synchronously formed and operated, the social development governance will benefit from digitized big data, saving resources while still ensuring effectiveness. Interaction between state agencies and citizens and businesses will be carried out more frequently and easily through online forms. The roles and great significance of digital transformation will be affirmed, which could prove for an inevitable development trend in the digital age.

### **3. Discussion on state management innovation in Vietnam to meet requirements of digital transformation**

In terms of state management, digital transformation is transforming the management model carried out by state agencies, based on digital technologies and digital data. Accordingly, civil servants' professional processes and the working methods of state agencies are changed towards digital technology applications; citizens and businesses can experience public services provided through online forms. To put it more briefly, it is the use of digital technologies and digital data to create more new values to organizational structure and operation as well as provision of public services of state agencies. Thus, digital technologies and digital data are essential elements to carry out digital transformation. However, in order to get the values, it is crucial for participants in digital transformation to have sufficient qualities and competences.

The participants refer to not only policy implementers, public service providers (civil servants) but also beneficiaries of the public policies and services (collectively called as citizens). Hence, both civil servants and citizens need to have digital knowledge and skills to meet requirements of digital transformation so as to be considered as digital civil servants and digital citizens. For the development of a digital government, digital transformation requires civil servants to be digital civil servants. For social development, digital transformation requires citizens to be digital citizens. Therefore, in this study, the development of digital civil servants and citizens will be discussed for state management innovation to meet requirements of digital transformation in Vietnam.

### **a) Development of digital civil servants**

The subjects performing public services are civil servants. In the context of digital transformation, digital civil servants are the subjects to implement digital transformation in state agencies so that a digital government could be developed. Accordingly, all activities of civil servants (advising, performing professional activities, directing, administering, inspecting, supervising, reporting on the results of implementation of assigned tasks, etc.) are carried out in the digital environment. Therefore, civil servants must be equipped and regularly updated necessary digital knowledge and skills to successfully complete their assigned tasks.

Requirements for digital knowledge and skills show that of state management activities, it is recruitment and training for civil servants that needs to be innovated. Firstly, it is essential to develop civil servant recruitment policies (for new recruitment) in which the standards of digital knowledge and proficiency in digital skills are included. Secondly, policies to foster civil servants' digital knowledge and skills should be under consideration so that civil servants can work and be proficient in the digital working environment. For servants working in state agencies, training programs of digital knowledge and skills can help them promote their professional capacities and adapt to the development trend of digital technologies.

The more the 4.0 revolution develops, the more popular digital transformation becomes. Thus, digital knowledge and skills are essential and highly requested to civil servants. That the newly – recruited civil servants or seniors proficient in digital knowledge and skills are the subjects performing public service in the digital environment will give much help for the work of state agencies to go smoothly. Specifically, state agencies and civil servants will be able to best respond to people's requests and public services are guaranteed to be effective and efficient. Therefore, it can be said that digital transformation is both a new trend and a great opportunity for countries to develop e-government. Vietnam has been no exception, and digital transformation has forced the state agencies to build a team of digital civil servants whose working habits are required to changed from the real environment to the digital environment.

### **b) Development of digital citizens**

Digital transformation is the responsibility not only of state agencies, but also of citizens who should become active to participate in state management activities. The aim of digital transformation in state management activities is to have efficient social governance and better serve the people. Therefore, only when citizens become digital citizens, will digital transformation be successful. In other words, the participation of citizens is the factor that ensures the success of digital transformation and helps the country rank higher in the international arena. Therefore, the digital transformation process requires the synchronous participation of the entire social system.

To become a digital citizen, one must have basic digital knowledge and skills, necessary to transact in the digital environment when participating in social activities and the state management process.

In fact, of many requirements, according to MIC (2021), digital knowledge and skills are crucial to a digital citizen, including: ability to access digital information sources; ability to communicate in a digital environment; basic digital skills; buying and selling goods online; netiquette in the digital environment; physical and psychological protection against influences from the digital environment; rights and responsibilities in the digital environment; identification and authentication of personal data; privacy in the digital environment. This shows that more researches and innovations for state management activities are needed, addressing on: developing propaganda policies and training programs of basic digital knowledge and skills for citizens; supporting people to access and own smart devices according to the state's synchronous policy system.

When citizens have digital knowledge and skills along with supports from smart devices, they will regularly interact and form habits of communication in the digital environment such as: online shopping, online learning, and online medical examination, etc. Convenience provided from digital transformation will motivate citizens to actively and regularly update knowledge and practice digital skills to transact effectively and safely in the digital environment.

#### **4. Conclusion**

Digital transformation in state management to develop a digital government and a digital society has set a requirement for each civil servant and citizen to be equipped or equip themselves with digital knowledge and skills to participate in transactions in the digital environment effectively and safely. In a broader sense, digital transformation in state management not only belongs to state agencies' responsibilities but all citizens', requiring the synchronous participation of the entire social system. Therefore, digital transformation is also the revolution of everyone in the society. When they participate in digital transformation, they can find out appropriate technologies, suggest effective solutions coming up from positive interactions between state agencies and them. Thus, for state management innovations, it is a requirement to implement policies developing digital civil servants and digital citizens.

Policies to develop digital civil servants and digital citizens is an important premise for successful digital transformation and helps save costs and time for both the state and society: reduce operating costs and save time for state agencies in the process of performing regular tasks; save time and money for citizens to access public services. When the work of state agencies runs smoothly in the digital environment, leaders make decisions more quickly and accurately and the productivity of civil servants is optimized. Not only does this help increase the operational efficiency of state agencies and the work efficiency of civil servants, but the professionalism of state agencies and civil servants is enhanced. At the same time, time and costs, and costs citizens pay for public services is less in comparison with those in the traditional method, which helps public service provision activities of state agencies to both promptly meet people's needs and become professional and efficient.

When a digital government and a digital society are formed and operated synchronously, social development governance in each country will be convenient with digitized big data, saving resources while still ensuring effectiveness. Interaction between state agencies and people will be done more regularly and easily through online forms. Digital transformation, at that moment, affirms its significant roles and becomes an inevitable development trend, which improves operational model and working methods of state agencies, modernizes civil servants' professional performance process and brings citizens new experiences with public services in digital environment. Hence, it is crucial for leaders and managers to change their awareness and take actions towards successful digital transformation of the state apparatus.

Based on analysis and synthesis of secondary documents, the characteristics of state management in Vietnam as well as the attributes and roles of digital transformation to state management activities are featured in this study. Accordingly, developing digital civil servants and digital citizens as a recommendation for state management innovation in Vietnam is suggested to meet the requirements of digital transformation. The findings hope to provide, in general, more scientific information for future researches on state management and digital transformation and, in particular, supports for better management of state agencies in Vietnam.

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