

Building And Perfecting Digital Government in Ho Chi Minh City, Vietnam: The Necessity and Motivation in Today's Businesses

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Abstract

In the context where digital transformation ranks as one of the foremost priorities for technology businesses in Vietnam, the Vietnamese government also places a special emphasis on digital conversion within the framework of the Fourth Industrial Revolution and the synchronized implementation of the National Digital Transformation Program. As a large, modern, and dynamic city, Ho Chi Minh City has swiftly shifted from e-government to digital government, significantly impacting the digital transformation processes of businesses within the city. This presents both a requirement and an opportunity to assert the city's position as a leading center for economics, culture, education, science, and technology in the country. This article endeavors to clarify the necessity, some groundbreaking results, experiences, and requirements imposed on the digital government in driving digital transformation within businesses operating in Ho Chi Minh City today.

Keywords: Building, Digital Government, Digital Transformation, Enterprises, Ho Chi Minh City.

INTRODUCTION

Over the past decade, one of the most widely discussed topics in countries worldwide has been digital transformation. Given the dynamic nature of the global economy, governments are required to have a consistent and comprehensive action plan to coordinate and support the private sector, enhance infrastructure investments, and even lead in pioneering technological advancements within certain domains during the process of digital transformation. The World Bank (2019) highlights that developing a sustainable digital economy necessitates a vital role for the government in establishing legal frameworks, development strategies, regional integration, and measures to mitigate risks both domestically and internationally (such as fraud, technological errors, and external organizational attacks), and especially in aiding businesses in their digital transition through transparent information disclosure, promoting competition, and building a digital ecosystem.

Vietnam has been recognized as one of the countries taking timely actions to develop and refine legal regulations and shape a development strategy within the economic digital transformation process. In 2014, the Politburo issued Resolution No. 36-NQ/TW, focusing on the promotion of IT application and development to meet sustainable development and international integration requirements. The resolution set specific targets for 2020, including the efficient implementation of administrative reform programs closely linked to the development of e-government and the provision of high-level online public services in various areas (Politburo, 2014). In 2019, Resolution No. 52-NQ/TW was released by the Politburo, dated September 27, outlining proactive policies and strategies for participation in the Fourth Industrial Revolution (Politburo, 2019). It emphasized the goals for 2025, with the digital economy accounting for about 20% of the GDP and over 30% of the GDP by 2030, with labor productivity increasing by more than 7% annually. By 2045, Vietnam aims to become a leading center for smart manufacturing, services, startups, and innovation in Asia.

For Ho Chi Minh City, defining the development of the digital economy is expected to increase labor productivity, create new business opportunities, and play a crucial role in restructuring the economy for a strong post-pandemic recovery. It is also a solution to swiftly restore economic growth. Therefore, the municipal

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government has early on established and implemented the urban government model. This serves as the foundational basis, providing the corridor and breakthrough for digital transformation within the economy.

Research on the digital government of Ho Chi Minh City, identifying and evaluating its essential role, impacts, and results in the city's digital transformation process for businesses, is a valuable issue both theoretically and practically.

METHODS

Research on digital transformation in general and the policy of building a digital government model to meet the digital transformation process in businesses is a new direction and is attracting more and more attention from scientists in the context of the Industrial Revolution 4.0 is happening now. Research on digital transformation is conducted from many angles, mainly from economics, philosophy, politics, sociology, etc. For example, about urban government, author Hai (2021) researched "2021 is the year of "Building urban government and improving the investment environment"; Do Thi Hien (2022) has the article "Urban government model in Ho Chi Minh City"; Minh Hiep (2021) wrote specifically about "Ho Chi Minh City state agencies and units change working methods to suit each level of epidemic"... Regarding digital transformation, Decision No. 749/QĐ-TTg The Prime Minister's "National Digital Transformation Program to 2025, Orientation to 2030" (2020) is important in orienting and creating conditions for businesses to strongly digitally transform, two scientists Tran Quang Tuyen and Le Van Dao (2021) have a study "Digital transformation of Vietnam's economy in the coming period"; The Communist Party of Vietnam electronic newspaper has an article "Building Ho Chi Minh City to be a leader in the digital economy, digital society, with modern services and industry", ... This article is made on the basis of Directly research a number of previous projects and current practice in Ho Chi Minh City.

In the process of implementing the topic, the author applies the dialectical materialist methodology with a specific and comprehensive historical perspective; and systematic approach while inheriting the research results of previous works to complete the theoretical basis and evaluation; At the same time, the author uses a combination of interdisciplinary methods in social science research such as: analysis, synthesis, historical method, logic, statistical method, comparison, etc. to carry out this work. tasks to achieve the proposed research goals.

RESULTS AND DISCUSSION

The Digital Government Model and the Necessity of Building an E-Government in Ho Chi Minh City to Meet the Digital Transformation Requirements in Businesses

The digital government enhances the efficiency of government agencies at all levels, promotes transparency in the activities of state management agencies, and provides citizens and businesses with faster and more convenient services through online public services, minimizing the need for businesses and citizens to physically visit government agencies for administrative procedures. Through feedback and input from citizens and businesses, state management agencies continuously improve their organization, business processes, and procedures to enhance their operational efficiency, save time, and reduce costs in fulfilling their tasks. Recognizing the importance of digital government development, Vietnam was one of the first countries to issue a National Digital Transformation Program or strategy. The implementation of the "National Digital Transformation Program until 2025, with a Vision to 2030," approved by the Prime Minister on June 3, 2020, has yielded clear results, especially in increasing awareness of digital transformation. This program aims to develop a digital government, digital economy, and digital society while fostering Vietnamese technology companies' global competitiveness.

Ho Chi Minh City is a special urban area, so research to build an urban government model is necessary, creating favorable conditions for the development of the City. Regarding the legal basis, the 2013 Constitution and the 2015 Law on Organization of Local Governments, amended by Law No. 47/2019/QH14, stipulate that local government in districts and wards is the local government level. Local government, except in specific cases specified by the National Assembly, is not at the local government level (Article 44, Article 58). At the same

time, the Law on Promulgation of Legal Documents requires the National Assembly to issue resolutions to regulate other issues falling within the National Assembly's authority (Point e, Clause 2, Article 15). On a practical basis, in the period 2009 - 2016, Ho Chi Minh City was one of 10 localities piloting the organization of no People's Councils of districts, districts, and wards according to Resolution No. 26/2008/QH12 of the National Assembly. Through the pilot, many lessons have been learned, which serve as an important practical basis. From pilot practice and based on the provisions of the Constitution and the Law on Organization of Local Governments, the 14th National Assembly issued Resolution No. 131/2020/NQ 14 dated November 16, 2020, allowing Ho Chi Minh City to Ho Chi Minh officially organized urban government to ensure stability and long-term. From July 1, 2021, Ho Chi Minh City officially operates in the form of urban government (Kien, 2021), from building and perfecting electronic government to gradually shifting to digital government, in a modern direction and flexible. Accordingly, the City government model is organized as follows: Ho Chi Minh City, cities belonging to Ho Chi Minh City and district, commune, and town units are local government levels including people's councils people and people's committees; In district and ward units, there are district people's committees and ward people's committees. District and ward People's Committees are state administrative agencies in districts and wards, working under the headship regime. In districts and wards where people's councils are not organized, the representative rights of the people here continue to be maintained and promoted through channels such as National Assembly Delegates, National Assembly delegations; Standing Committee of the City People's Council, committees, representative groups, delegates of the City People's Council, party committees, Vietnam Fatherland Front, political and social organizations at all levels.

With the urban government organization model and through the above channels and especially the electronic urban government organization, information, guidelines, and policies of the Party and State to the people are made public, and transparency helps people's ownership to be promoted. At the same time, maintain and enhance people's participation in government operations and management.

With the implementation of digital transformation, Ho Chi Minh City aims to demonstrate the spirit of being the economic leader of the country, taking the lead in implementing a new growth model; Fast and sustainable development based on strong research and application of science, technology and innovation. Good digital transformation will contribute to promoting competition and improving the investment environment, promoting economic and social development, and contributing to building smart and prosperous cities. The urban government model has become an important solution to meet the strong digital transformation requirements in businesses today.

Success in digital transformation in implementing the digital economy in Ho Chi Minh City makes an important contribution to success across the country while affirming the local economic leader position. The digital economy also helps increase labor productivity, create new business opportunities for businesses, make an important contribution to economic restructuring and, in the immediate future, help quickly restore growth. Success in digital transformation and digital economy in Ho Chi Minh City will make an important contribution to success nationwide while affirming the City's leading role and position in economics, finance, and trade, science, and technology at national and regional levels. The urban government model has a direct impact on digital transformation in city businesses.

The City Government promotes direction to restore production and business activities to ensure fast growth, high efficiency and sustainability; creates conditions for businesses to continue to promote their strengths; Strategic orientation for stable and sustainable production and business development; perfects the management mechanism and building high-quality human resources; Focus on investing in technological innovation, developing production and business facilities, shifting production and business structure to improve competitiveness and develop production and business, especially service industries with high added value; Expanding foreign markets, combining building and developing distribution systems in the domestic market, paying attention to building key goods and service brands and corporate brands.

In the context of the Covid-19 epidemic in Ho Chi Minh City, developments are complicated, with thousands of new infections every day. Both the political system and the people of the City have urgently put all resources into epidemic prevention and control, including social distancing measures. Besides, the City is also trying to

maintain economic growth momentum to effectively implement the "dual goal." In such a context, despite many difficulties, the City continues to promote the implementation of urban government organization according to Resolution 131 of the National Assembly and Decree 33 of the Government. This is a political task, both to perfect the organization of the government apparatus, create new development forces and positions, and concretize solutions to implement the theme of 2021 being the year of "Building urban government and improving urban governance improving the investment environment" (Hai, 2021).

In a short time, the city has built a smart traffic system, deploying information technology and connection networks to monitor and control urban traffic, from managing smart traffic lights to Analyzing traffic data to improve planning and management, deploying online public services such as tax payment, business registration, and document processing to increase transparency and convenience for people.

The urban government model with digital transformation brings many opportunities for businesses to develop and attract investment. Digital transformation helps increase labor productivity, optimize production processes, and promote business innovation. Urban development puts great pressure on public infrastructure and public services. The urban government model with digital transformation allows for more efficient management, from traffic monitoring to water and electricity management, and waste treatment. Digital transformation brings convenience to people through the provision of online public services, enhancing transparency and interaction between government and residents, and creating an urban government model with digital transformation create a smart and sustainable living environment. Information technology and artificial intelligence solutions can be applied to intelligently manage resources, improve security, and provide utility services to residents.

From July 2021 until now, with the implementation of the urban government model, the City has implemented smart urban connectivity: Using IoT (Internet of Things) technologies and connection networks, cities can build smart urban systems. This allows for smarter monitoring and management of infrastructure, traffic, environment, and security. The use of big data and artificial intelligence helps urban authorities better analyze and understand patterns, trends, and needs of residents. This helps make smart decisions and provide better services to residents. Digital transformation in public processes such as administrative management, taxation, business registration, and online public service provision saves time and effort for both the government and the people.

According to a World Bank report, the competition rate of organizations in the information technology and telecommunications sector in Vietnam is also higher than that of Southeast Asian countries, resulting in the price of Vietnam's internet services. Nam is among the most competitive in the region. The rapid increase in the scale of exchange of telecommunications services, computers, and information technology products in Vietnam proves the rapid development trend of the digital economy in the future. Vietnam's current internet connectivity is also a great advantage for the digital transformation process with the highest numbers of mobile/fixed broadband subscribers in Southeast Asia. On the contrary, in terms of digital payments, the level of people using digital payments is relatively low compared to the region, at about 22%. Vietnam's determination to digitally transform comes from the business sector with a digital payment usage rate of up to 51%. In particular, Ho Chi Minh City is the locality where the government implemented the first digital transformation in the country and the use of digital payment is strong. In other words, with the rapid development of changing social media platforms, the way of interacting in the city's goods and services market is changing rapidly. The practice of making digital currency payment transactions instead of cash is popular and widespread in the city. Social media is increasingly accepted and widely used, especially in product advertising, sales, etc. These platforms are also gradually becoming an important information channel in decision-making make purchases, and connect with friends, family, and society. Vietnam's e-commerce platforms are also very rich with fierce competition from businesses, such as Lazada, Tiki, Shopee, etc. The growth rate of consumers on e-commerce platforms and other types of e-commerce services in the City is constantly developing, meeting the increasingly diverse needs of consumers. However, the tax system has not kept up with the change in this new business model. An additional advantage of Vietnam's digital transformation process is that the logistics system is improving both in terms of shipping volume and system links, contributing to reducing costs and providing diverse types of services. In just three years from 2016 to 2018, Vietnam's Logistics Performance

Index (LPI) improved from position 64 to 39 in the list of more than 160 countries in the world. Vietnam's logistics quality and capacity are also rated higher than other Southeast Asian countries (except Singapore) and are about to catch up with China. Automatic goods sorting conveyor system applying modern automation technology at the Southern Logistics Center of Viettel Post Joint Stock Corporation (Viettel Post) in Ho Chi Minh City (Tuyen & Dao, 2021). The influence of the private sector in digital transformation is easily seen through the presence in Vietnam of private corporations, such as Grab, Traveloka, Go-Viet (GO-JEK), Lazada,... Not only Therefore, the private sector's rapid adaptation to digital transformation is an important key to keeping up with the rapid development of world technology. If it is confirmed that the Vietnamese private sector applies digital technology to serve business activities relatively well, it must be recognized that Ho Chi Minh City is the leading locality in this digital transformation activity.

Digital transformation helps businesses maximize the working capacity of their employees. Because the system can automatically perform tasks with low added value at no cost to the business, while also helping employees have more time to improve their expertise and perform tasks other important work. Digital transformation also helps managers easily evaluate the quality of each employee's work through timely reporting data. If you own a digital platform, you will be able to deploy and operate your business effectively, accurately, and with quality. Because digital management and operations solutions will increase efficiency and accuracy in business decisions. At the same time, digital transformation helps businesses improve their competitiveness with other businesses by optimizing administration, costs, profits, quick interaction with customers, and customer care and service policies row.

Building an effective urban city government model, and carrying out state administrative reform towards a modern city that operates effectively and efficiently towards digital government and digital economy is the solution for the city's socio-economic development to develop rapidly and sustainably.

The issues raised to promote the establishment of a digital government model in Ho Chi Minh City that meets the requirements for creating a foundation and driving force for digital transformation in businesses

The larger the city, the greater the volume of work to be addressed, the more complex the tasks become, and the more crucial it is to adhere rigorously to laws, processes, standards, and planning. Therefore, the organization of the urban government machinery must have a specific nature, ensuring centralized, unified, transparent, responsive, effective, and efficient state management. To leverage achievements and overcome limitations in building the effective and efficient municipal government of Ho Chi Minh City, the following areas need to be focused on soon:

Firstly, building and perfecting the institutional framework. Implementing the pilot management of the urban government model must deeply adhere to the Party's directions and orientations for promoting administrative reform, and enhancing the efficiency of state management machinery. Continuously improving the theoretical, scientific, and practical foundation for organizing local government with a clear distinction between urban and rural governments. Urgently reviewing, supplementing, and perfecting legal documents related to issues such as land, urban planning, construction, and finance, as well as government decrees and circulars from the central government ministries and departments, ensuring compliance with the market-oriented socialist orientation and the rule of law socialist state, ensuring consistency, coherence, and transparency. Reviewing the entire legal framework currently regulating urban government to amend, supplement, or introduce new regulations to reduce overlaps and conflicts between documents and ensure their suitability with the current urban development situation. The city will actively promulgate regulations and mechanisms under its authority to concretize the Party's guidelines, state policies, and laws to implement administrative machinery reform, making the city's government apparatus streamlined, efficient, and capable of implementing urban government management models.

Secondly, continue to improve the organization of specialized agencies under the People's Committees at various levels in urban areas. Renewing the activities of local government at all levels in line with streamlining and reforming the government apparatus is one of the important contents of local administrative reform. For specialized agencies under the People's Committees at all levels, it is necessary to implement the streamlining

of subordinate agencies of the People's Committees as stipulated in Decree No. 24/2014/ND-CP dated April 4, 2014, of the Government on the organization of specialized agencies under the People's Committees of provinces and centrally-run cities (amended and supplemented by Decree No. 107/2020/ND-CP) and Decree No. 37/2014/ND-CP on the organization of specialized agencies under the People's Committees of districts, towns, cities within provinces (amended and supplemented by Decree No. 108/2020/ND-CP). At the same time, clearly define the functions and tasks of specialized agencies in various management areas. Thirdly, in addition to macro-level policies impacting businesses as mentioned above, Ho Chi Minh City should introduce breakthrough policies that directly influence the digital transformation process within businesses. For instance, the city can focus on building a multimedia information system to provide essential information to residents and businesses. This includes developing mobile applications, information websites, and social media platforms to enhance interaction and information sharing with residents. The city can encourage and create a conducive environment for research, development, and application of artificial intelligence in areas such as traffic management, weather forecasting, security, and public services. This would enhance data analysis capabilities, improve forecasting, and enable smart decision-making. The city should continue to invest in digital infrastructure, including building networks, communication, and data storage systems. This establishes a robust foundation for implementing information technology services and the digital transformation process within businesses and municipal government. Additionally, there should be a focus on training and developing specialized human resources in information technology, project management, and municipal government management. This ensures that there is a knowledgeable and skilled workforce capable of effectively implementing the digital transformation process within businesses and municipal government.

CONCLUSION

Ho Chi Minh City is one of the pioneering regions in implementing the construction of electronic governance and smart urban development. This has been identified as a strategic task in the process of digital transformation. The digital government model that Ho Chi Minh City is building increasingly plays a role in providing the foundation and driving force for digital transformation in businesses, creating favorable conditions for the people's ownership to be realized in production and business activities. Digitizing government activities also accelerates the digital transformation of the economy and culture while enhancing citizen participation in government operations and management. The aspiration for prosperity has been ignited, inspiring and serving as a beacon of hope for the rivers, the land, and the one hundred million Vietnamese people. The clearest goal is to make the people happy. To gradually materialize this aspiration and turn it into reality during the implementation of the Resolution of the 13th Party Congress, General Secretary Nguyen Phu Trong emphasized: "We need a society in which development is truly for the sake of human beings, not for profit that exploits and tramples upon the dignity of human beings. We need economic development coupled with social progress and justice, not an increase in social disparities and inequalities... And we need a political system in which real power belongs to the people, is exercised by the people, and serves the interests of the people..." (Trong, 2021). The municipal government of Ho Chi Minh City is continuously improving to serve the interests of the people, ensuring that the real power belongs to the people. This is also an affirmation of the aspiration to build a prosperous and happy nation, looking toward the future of the Vietnamese people under the leadership of the Party.

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