INTERNATIONAL JOURNAL OF SOCIAL SCIENCE HUMANITY & MANAGEMENT RESEARCH

ISSN (print) 2833-2172, ISSN (online) 2833-2180

Volume 05 Issue 02 February 2026

DOI: 10.58806/ijsshmr.2026v5i2n14, Impact Factor: 6.79

Page No. 374-379

Applying Modern Governance Models to State Economic Management in Vietnam: Implications for Policy Management in the New Context

Tran Van Mong
Thu Dau Mot University

ABSTRACT: In the context of a rapidly changing, uncertain, and unpredictable global economy, the demands on state economic management in Vietnam are not only to maintain macroeconomic stability but also to enhance the capacity for governance, forecasting, and policy adaptation. Modern governance models such as New Public Management (NPM), New Public Management (NPG), Good Governance (GGM), and results-based governance, evidence-based governance, and digital governance have been applied by many countries to improve the efficiency of economic management and the quality of public policy. This article analyzes the applicability of modern governance models in state economic management in Vietnam, linking it to current economic policy implementation practices, and proposes several policy implications to improve the efficiency of economic management and administration in the coming period.

KEYWORDS: state economic management; modern governance; economic administration; economic policy; Vietnam.

1. INTRODUCTION

State management of the economy is a crucial governance function, in which the State not only exercises the power to regulate the market but also directs the development of economic drivers through macroeconomic policy tools, institutions, and coordination mechanisms (Dao, 2019). In the context of deep international economic integration, the Vietnamese economy is increasingly affected by external shocks such as geopolitical fluctuations, disruptions in global supply chains, and pressure to adapt to digital transformation. This challenge not only requires flexibility in economic management but also poses an urgent need for innovation in management and governance methods towards a modern approach, based on data and empirical evidence to ensure the timeliness and effectiveness of policies (Thanh Hung Pham, et al, 2022).

Research shows that the quality of governance and the effectiveness of public administration are directly related to economic growth, as higher levels of administrative reform and more efficient public service processes facilitate investment, promote production, and improve economic governance capacity (Thanh Hung Pham, et al, 2022). This result reflects the international trend as many countries shift from traditional state management models to modern governance, emphasizing accountability, transparency, and policy forecasting to enhance adaptability to socio-economic shocks. For Vietnam, the process of reforming the growth model, reforming market economic institutions, and building a digital government creates favorable conditions but also requires strengthening the quality of state governance in the economy to meet development requirements in today's volatile environment.

This article primarily employs qualitative research methods, combining document analysis and synthesis, policy analysis, and comparative analysis. Specifically, the author analyzes and systematizes theoretical research on public administration and state economic management, while also utilizing reports and policy recommendations from reputable international organizations such as the OECD and the World Bank related to economic governance and public policy implementation. Based on this, policy analysis methods are employed to evaluate the practical application of modern governance models in Vietnam's economic management and administration, thereby identifying achievements, limitations, and their causes. From this, policy implications appropriate to Vietnam's institutional conditions and development context are derived. The combination of these research methods ensures the logical, objective, and practical orientation of the arguments and policy recommendations in this article.

2. Modern Governance Models and Their Significance for State Economic Management

2.1. New Public Management and the Need for Improved Economic Performance

The New Public Management (NPM) model was first introduced by Christopher Hood in his essay "A Public Management for All Seasons?", emphasizing a shift from traditional administrative governance to results-based, efficient, and competitive governance in the public sector, linked to the application of business management principles to public sector operations to promote performance and accountability (Hood, 1991). This is the foundational theory for many administrative and public governance reform programs worldwide, focusing on separating production and service delivery functions, increasing transparency and efficiency in resource utilization, designing performance measurement systems, and granting autonomy to public service providers (Noel Hyndman, 2008). In state economic management, the principles of NPM are applied through the establishment of strategic targets, performance indicators, and performance evaluation mechanisms to improve the business environment and enhance the efficiency of governance from the central to local levels.

A prominent advantage of applying the NPM model in economic management is its ability to improve the quality of governance through performance measurement and accountability (Gajda-Lüpke, 2009). The use of performance evaluation tools and output indicators helps economic management agencies continuously adjust policies based on actual effectiveness, while creating competitive pressure in task implementation, thereby improving the quality of public service delivery and promoting administrative procedure reform. In some developed countries, the integration of NPM elements into public administration systems has contributed to reducing public administration costs and enhancing transparency, demonstrating the flexibility and adaptability of the model in the modern management environment (OECD, 2005).

However, international experience also shows the limitations of applying NPM if there is a lack of theoretical control and adjustment to suit the institutional context. Hood (1991) and many subsequent studies have shown that NPM can lead to conflicts between efficiency goals and social equity values if economic efficiency is overemphasized while social distribution goals are neglected, especially in key areas such as social security and macroeconomic stability. Furthermore, applying market principles to public administration sometimes reduces the State's regulatory role in economic management, leading to the risk of a lack of policy coordination between sectors and localities if adjustments are not made to closely reflect the national institutional reality (Arif, 2023).

2.2. New Public Governance and the Role of Coordinating Economic Policies

New Public Governance (NPG) is a modern governance model that emphasizes a shift from management based on administrative orders or purely market mechanisms to governance based on networks, cooperation, and co-creation of policies among the State, the private sector, and civil society. According to Osborne (OSBORNE, 2010), NPG considers the State as playing a central role in coordinating, creating, and connecting stakeholders to solve complex public issues, rather than directly controlling the entire policy process. In state economic management, this model is applied through inter-sectoral policy coordination mechanisms, public-private dialogue, mobilization of social resources, and the establishment of policy implementation networks to improve the quality of planning and the effectiveness of economic management in the context of increasing globalization and value chain integration (2012).

In terms of advantages, NPG contributes to improving the quality of economic policy by strengthening the participation of stakeholders, thereby improving feasibility, consensus, and effectiveness of policy implementation. The OECD (OECD, 2025) points out that governance based on cooperation and policy coordination helps governments better respond to complex economic issues such as industry restructuring, green transition, and innovation, which are beyond the capacity of a single agency or level of management. However, the limitations of NPG lie in the risk of increased coordination costs, prolonged decision-making processes, and blurred accountability boundaries if a clear institutional framework is lacking. Pollitt and Bouckaert (Christopher Pollitt, 2010) warn that network governance, if not properly designed, can lead to policy fragmentation and a decline in the State's strategic guidance role in macroeconomic management.

Although the New Public Governance (NPG) model is highly regarded for its emphasis on network coordination between the State, the market, and society, its application in economic management in general also reveals several notable limitations. Firstly, the NPG focuses on multi-stakeholder cooperation and network governance, which can increase the complexity of macroeconomic policy coordination (Osborne, 2010). When too many actors are involved in policy planning and implementation, the State risks losing its central role in guiding development strategies, especially in areas requiring high levels of coordination such as fiscal policy, monetary policy, and macroeconomic stability. Many studies indicate that network governance, without clearly defined accountability mechanisms, can easily lead to a situation of "diluted responsibility," weakening the effectiveness of state management and making it difficult to control economic policies (Eva Sørensen, 2009).

2.3. Results-Based, Evidence-Informed Governance and Digital Governance

The results-based and evidence-informed governance model is an approach to public administration that focuses on directly linking the responsibility of the governing body to the results and impacts of policy implementation, based on objective data and evidence throughout the entire policy cycle. According to the OECD (2020), results-based governance is understood as the process of designing, implementing, and evaluating policy interventions that focus on desired outcomes rather than processes or inputs, through measuring effectiveness, impact, and adjusting policies based on observable evidence. At the same time, the evidence-based approach emphasizes the systematic use of data, scientific research, and evaluation reports to increase the accuracy and effectiveness of public policy decisions, avoiding decisions based on personal experience or intuition.

In state economic management, this model helps governments build, implement, and improve policies more effectively in the context of the complex fluctuations of the global economy. The application of data-driven performance measurement and policy selection helps to clearly identify which economic measures achieve desired goals and why, thereby reducing the gap between policy expectations and actual results. An OECD report (2018) affirms that building government capacity in using evidence when designing and implementing policies contributes significantly to national governance capacity, especially when facing complex socio-economic challenges such as market volatility, integration, and financial instability. At the same time, the World Bank (2018) points out that improving public administration performance through the connection between policy strategy and actual implementation is a key factor in transforming long-term economic goals into concrete results that benefit the people.

A prominent advantage of the results-based governance model and evidence-based approach is its ability to increase transparency and accountability in policy decision-making, as the process of collecting, evaluating, and presenting data is standardized to provide an objective basis for policy choices. Argyrous's (2012) research emphasizes that transparency and accountability are prerequisites for improving the quality of evidence-based policies, reducing the risk of implementing ineffective policies and strengthening public and stakeholder trust in the policymaking process. At the same time, Leuz et al. (2018) note that while this approach can improve policy implementation efficiency and address complex issues, it also faces significant challenges regarding reliable data sources and analytical capabilities, especially in the context of limited management systems, indicating that the model requires significant resources and skills to achieve the desired effectiveness.

However, a limitation of results-based and evidence-based governance models is the requirement for reliable data resources and advanced analytical systems, which many countries, especially developing economies, still struggle to implement. The OECD-European Commission report (2025) emphasizes that organizational capacity, data collection skills, and evidence integration mechanisms remain significant gaps in many administrative systems, affecting the ability to effectively use data in public decision-making. Similar studies also indicate that gaps in data and analytical skills make EIPM (Trisha Greenhalgh, 2009) fragmented and ineffective, due to a lack of a unified data platform and the necessary expertise to analyze policy impacts. Furthermore, in the context of developing countries, data may be missing, incomplete, or lacking objectivity, leading to the risk of overlooking important socio-political contextual factors that local data does not fully reflect, affecting the comprehensiveness and fairness of public policy.

3. Practical Application of Modern Governance Models in State Economic Management in Vietnam

In recent years, Vietnam has gradually applied modern governance models to state economic management, clearly demonstrated through administrative reform, market economy institutional reform, and the development of a digital government. The principles of New Public Management (NPM) are applied through simplifying administrative procedures, measuring the output of state agencies, and linking accountability to performance. A World Bank report (2022) shows that Vietnam is among the countries with significant progress in public management efficiency, particularly in the areas of investment procedure reform, taxation, and customs.

Simultaneously, the New Public Management (NPG) approach is demonstrated through strengthening inter-sectoral coordination mechanisms, public-private dialogue, and mobilizing the participation of businesses and industry associations in the economic policy-making process. The implementation of programs such as the annual Business-Government Dialogue, or the broad consultation on major economic policy drafts, shows that the State is gradually shifting from a "management-control" role to a "coordination-creation" role. However, the OECD (2021) also points out that policy coordination capacity in Vietnam remains fragmented, lacking mechanisms for data sharing and inter-sectoral impact assessment.

Firstly, Fiscal Policy Management and Public Investment

In managing fiscal policy and public investment, Vietnam has gradually applied the principles of results-based and evidence-based governance through the development of medium-term financial and budgetary plans, enhanced progress monitoring, output measurement, and the application of public investment management information systems. The requirement for periodic reporting on disbursement rates, project progress, and socio-economic impacts reflects the shift from input-based management to results-based management. According to the Ministry of Finance's report, by the end of 2023, disbursed public investment capital was estimated at approximately VND 579,848 billion, equivalent to over 73% of the plan assigned by the National Assembly, higher than the disbursement level in 2022 (approximately 67.27%). This is the largest disbursement level in recent years and reflects efforts to strengthen supervision and results-based governance in the implementation of fiscal policy (Anh Tuyet, 2024). In addition, the Q1/2025 report shows that VND 78,712 billion of public investment capital was disbursed in the first three months of the year, equivalent to nearly 9% of the plan, indicating that disbursement progress is being accelerated but is still slow compared to the requirements for completing the annual plan (VTV online, 2025).

However, limitations still exist as disbursement progress is not uniform among ministries, sectors, and localities; The socio-economic impact assessment of public investment projects remains largely formalistic and not fully based on data analysis and quantitative evidence. The OECD (2021) also noted that the public investment performance evaluation system in Vietnam lacks a strong link between resource allocation and achieved results, reducing the effectiveness of results-based governance.

Secondly, Monetary Policy Management and Macroeconomic Stability

In the monetary field, the State Bank of Vietnam has clearly applied an evidence- and data-driven governance model by using macroeconomic indicators (inflation, credit growth, exchange rate, balance of payments) to flexibly manage policy. The adjustment of the policy interest rate in 2023–2024 shows an approach based on risk analysis and forecasting instead of applying rigid administrative tools. The results achieved are quite positive: according to the IMF, Vietnam's inflation in 2023 was controlled at around 3.25%, much lower than many countries in the region, while GDP growth reached over 5%, contributing to maintaining macroeconomic stability in the context of a global economy with many uncertainties (International Monetary Fund, 2024).

However, a limitation of the model is that the financial and monetary data system has not been fully integrated with fiscal and public investment data, reducing the ability to coordinate overall macroeconomic policies. In addition, the capacity for modeling and forecasting medium- and long-term risks is limited, sometimes making monetary policy more reactive than proactive.

Thirdly, Digital Economy Development and Digital Transformation Policy

The digital economy development and digital transformation policy is the area that best demonstrates the application of the digital governance model in Vietnam. The State has invested in building a national database, a digital platform for governance, and an online public service system, thereby enhancing data-driven and digital technology-based management capacity. According to the Ministry of Information and Communications, the digital economy is estimated to reach approximately 18.3% of GDP in 2024, with a growth rate of over 20% per year, many times higher than the overall economic growth rate. The application of big data and digital platforms contributes to enhancing transparency, shortening administrative procedure processing time, and supporting faster policy decision-making (Ministry of Information and Communications, 2025).

However, the OECD (2022) points out that the quality of data, the ability to share and interlink data between ministries, sectors, and localities in Vietnam is still limited, while the digital skills gap between regions risks increasing inequality in access to policies.

Fourth, Foreign Trade Policy

In the field of foreign trade, Vietnam has applied the principles of results-based governance and network governance through deep participation in new generation free trade agreements (CPTPP, EVFTA, RCEP), while reforming customs procedures towards digitalization and risk management. The effectiveness is clearly demonstrated by trade results: according to the General Statistics Office (GSO, 2023), import and export turnover in 2023 reached over 683 billion USD, with Vietnam continuing to maintain a trade surplus, showing relatively flexible and effective foreign trade policy management.

However, a major limitation is the uneven capacity to utilize FTAs across industries and businesses, while the early warning and trade risk analysis system (trade defense, supply chain fluctuations) has not yet fully utilized the role of data-driven governance and forecasting.

4. Some key policy implications for state economic management in Vietnam

First, strengthen evidence- and data-driven economic policy management to enhance the proactiveness and adaptability of the State. In the context of a rapidly changing, uncertain, and highly volatile global economy, economic policy management cannot continue to rely primarily on experience or situational responses but needs to shift strongly towards an evidence-informed policymaking approach. For Vietnam, attention should be paid to implementing several aspects such as: (i) perfecting an integrated socio-economic data system encompassing fiscal, monetary, public investment, and trade; (ii) enhancing the capacity for policy analysis, modeling, and forecasting in central government agencies; and (iii) closely linking data analysis results with the policy decision-making process. The OECD (2021) emphasizes that countries that build evidence-based policy ecosystems will significantly enhance their ability to respond to crises and reduce operational lags. Furthermore, the World Bank (2018) also points out that improving the quality of policy decisions through data and impact assessment is a key condition for translating development goals into tangible results.

Secondly, perfecting the institutional framework for policy coordination towards network governance is necessary to effectively address complex economic issues.

The practice of fiscal, monetary, digital transformation, and foreign trade policy management in Vietnam shows that many economic issues are interdisciplinary, exceeding the scope of management of a single agency. Therefore, policy management in the new context needs to shift from a "vertical" management mindset to governance based on coordination and networks. Specifically, the State needs to (i) establish a mechanism for inter-sectoral policy coordination with accountability; (ii) enhancing data and information sharing among ministries, sectors, and localities; and (iii) promoting the central coordinating role of the Government in key macroeconomic policies. The OECD (2021) affirms that policy coordination capacity is a core factor determining the effectiveness of economic governance in transitional economies, especially when facing challenges such as deep integration and green transition.

Thirdly, linking economic policy management with results-based governance and accountability to improve the efficiency of public resource utilization.

A common limitation in current economic management is that policy evaluation remains heavily reliant on procedures and inputs, while actual results and impacts are not fully measured. Therefore, important policy implications are (i) building a system of key performance indicators (KPIs) linked to specific socio-economic development goals; (ii) using evaluation results as a basis for policy adjustments and resource allocation; and (iii) strengthening the accountability of economic management agencies. The OECD (2018) argues that results-based governance not only helps improve policy effectiveness but also strengthens public and business confidence in the government's governance capacity. The World Bank (2018) also emphasizes that countries that improve the link between strategy, budget, and implementation results will achieve higher development efficiency in the long term.

Fourth, focused investment in digital capabilities and modern governance skills is essential to ensure the inclusiveness and sustainability of policy governance.

Promoting digital governance and data utilization in policy governance is only effective when accompanied by the appropriate organizational capacity and skills of the staff. Therefore, economic policy governance in the new context requires (i) developing digital skills, data analysis, and policy evaluation skills for state management officials; (ii) narrowing the skills gap between different levels and localities; and (iii) ensuring that digital transformation does not exacerbate inequality in access to policy. The OECD (2022) warns that without synchronized investment in institutional skills and capacity, digital transformation could exacerbate inequality and undermine policy effectiveness, and also points out that human capacity is the "key bottleneck" determining the success of digital governance and data-driven policymaking.

5. CONCLUSION

This article focuses on clarifying the research issue regarding the extent and methods of applying modern governance models in state economic management in Vietnam in the new context, thereby drawing implications for policy implementation. Based on the systematization of the theoretical framework of modern public management and the analysis of approaches such as results-based governance, evidence-based governance, digital governance, and network governance, the study shows that Vietnam has gradually applied modern governance principles in economic policy implementation, clearly demonstrated in the areas of monetary policy, digital economic development, administrative procedure reform, and international economic integration. However, the application still lacks uniformity and is limited by inter-sectoral coordination, the quality and ability to share data, as well as the analytical capacity and management skills of the staff. Based on these findings, the article asserts that innovation in state economic management in the coming period should not only focus on improving policy tools, but also shift strongly towards evidence- and data-driven governance, strengthening results-based governance, improving policy coordination mechanisms, and making focused investments in the digital capacity of the public sector. The proposed conclusions and policy implications contribute to supplementing the scientific basis for improving the efficiency of economic management, meeting the requirements of rapid and sustainable development in Vietnam.

REFERENCES

1) Anh Tuyet. (2024). Theo báo cáo của Bộ Tài chính, đến cuối năm 2023. Retrieved from Thời báo kinh tế Việt Nam: https://en.vneconomy.vn/2023-public-capital-disbursement-at-over-24bln.htm
2) Argyrous, G. (2012). Evidence Based Policy: Principles of Transparency and Accountability. The Australian Journal of Public Administration, 71(4), 457-468. doi:https://doi.org/10.1111/j.1467-8500.2012.00786.x
3) Arif, L. (2023). New Public Management Critical Riview. Journal Research of Social Science, Economics, and Management, 2(9), 1911-1919. doi:https://doi.org/10.59141/jrssem.v2i09.419
4) Ministry of Information and Communications. (2025). National Digital Economy and Digital Transformation Summary Report 2024 Retrieved from https://dti.dienbien.gov.vn/Cms_Data/Contents/CDS/Folders/QLTaiLieu/~contents/4RP2C4EL9MMJ2624/06-02-2025-10-00-14-5805984-Bao-cao-tom-tat-CDSQG-2024-KH-2025-25026-Final.pdf
5) Christopher Pollitt, G. B. (2010). Public Management Reform. Oxford : Oxford University Press.
6) Dao, T. T. (2019). Factors affecting the effectivity of promulgation and implementation state management decisions. Archives of Business Research, 7(1). doi:https://doi.org/10.14738/abr.11.6103
7) Eva Sørensen, J. T. (2009). Making governance networks effective and democratic. Public Administration, 87(2), 234–258. doi:https://doi.org/10.1111/j.1467-9299.2009.01753.x
8) Gajda-Lüpke, O. (2009). Performance measurement methods in the. POZNAŃ UNIVERSITY OF ECONOMICS REVIEW, 9(1). Retrieved from https://journals.ue.poznan.pl/ebr/article/download/552/446/915?
9) Hood, C. (1991). A Public Management for All Seasons. Public administratinon, 69(1), 3-19. doi:https://doi.org/10.1111/j.1467-9299.1991.tb00779.x

10) International Monetary Fund. (2024). Vietnam: Selected Economic Indicators, 2020–2025 (Staff Report for the 2024 Article IV Consultation, Table 1). Retrieved from https://www.imf.org/-/media/files/publications/cr/2024/english/1vnmea2024001-print-pdf.pdf?
11) Leuz, C. (2018). Evidence-based policymaking: promise, challenges and opportunities for accounting and financial markets research. Accounting and Business Research, 48(5), 582-608. doi:https://doi.org/10.1080/00014788.2018.1470151
12) Noel Hyndman, F. M. (2008). NPM and Performance Measurement: A Comparative Study of the Public Sectors in Ireland and the UK. Accounting, Finance & Governance Review, 15(2), 29-59. Retrieved from https://afgr.scholasticahq.com/article/26982.pdf
13) OECD & European Commission. (2025). Strengthening National Evidence-Informed Policymaking Ecosystems: Lessons from Seven European Countries. OECD. doi:https://doi.org/10.1787/855c5286-en
14) OECD. (2005). Modernising government: The way forward. OECD. Retrieved from https://www.oecd.org/en/about/directorates/directorate-for-public-governance.html
15) OECD. (2018). OECD Regulatory Policy Outlook 2018. OECD. Retrieved from https://www.oecd.org/content/dam/oecd/en/publications/reports/2018/10/oecd-regulatory-policy-outlook-2018_g1g90cb3/9789264303072-en.pdf
16) OECD. (2021). Public Governance Review of Viet Nam. Retrieved from https://www.oecd.org/gov/public-governance-reviews/viet-nam
17) OECD. (2021). Public Governance Review of Viet Nam. Public Governance Review of Viet Nam. Retrieved from https://www.oecd.org/gov/public-governance-reviews/viet-nam
18) OECD. (2022). Going digital to advance data governance for growth and well-being. Retrieved from OECD: https://www.oecd.org/content/dam/oecd/en/publications/reports/2022/12/going-digital-to-advance-data-governance-for-growth-and-well-being_246d8cab/e3d783b0-en.pdf
19) OECD. (2025). Directorate for Public Governance. Retrieved from OECD: https://www.oecd.org/en/about/directorates/directorate-for-public-governance.html
20) OEDC. (2020). Building Capacity for Evidence-Informed Policy-Making: Lessons from Country Experiences. Retrieved from https://www.oecd.org/gov/building-capacity-for-evidence-informed-policy-making-86331250-en.htm
21) Osborne, S. (2010). The New Public Governance. New York: Routledge.
22) OSBORNE, S. P. (2010). The New Public Governance. London: Routledge.
23) Public-Private Partnerships and Network Governance. (2012). Public Performance & Management Review, 36(2), 340-365. doi:https://doi.org/10.2307/23484724?urlappend=%3Futm_source%3Dresearchgate.net%26utm_medium%3Darticle
24) Tổng cục Thống kê. (2023). Tổng kim ngạch xuất, nhập khẩu hàng hóa năm 2023 ước đạt 683 tỷ USD. Retrieved from Cổng Thông tin Bộ Kế hoạch và Đầu tư: https://www.mpi.gov.vn/portal/Pages/2023-12-29/Tong-kim-ngach-xuat-nhap-khau-hang-hoa-nam-2023-uoaburip.aspx?
25) Thanh Hung Pham, et al. (2022). The Impact of Quality of Public Administration on Local Economic Growth in Vietnam. Multidisciplinary Digital Publishing Institute, 15(4). doi:https://doi.org/10.3390/jrfm15040158
26) Trisha Greenhalgh, J. R. (2009). Evidence-based policymaking: a critique. pubmed, 52(2), 304-318. Retrieved from https://pubmed.ncbi.nlm.nih.gov/19395827/
27) VTV online. (2025). Giải ngân gần 79.000 tỷ đồng vốn đầu tư công trong 3 tháng. Retrieved from VTV online: https://vtv.vn/kinh-te/giai-ngan-gan-79000-ty-dong-von-dau-tu-cong-trong-3-thang-20250331190649894.htm
28) World Bank. (2018). Improving Public Sector Performance – Summary Report. World Bank. Retrieved from https://documents1.worldbank.org/curated/en/936101541772366436/pdf/131020-v2-PUBLIC-World-Bank-Global-Report-PSP-Report-Summary-V2-3.pdf?utm_source=chatgpt.com
29) World Bank. (2022). Improving Public Sector Performance. Retrieved from https://documents.worldbank.org/