The State is originally created to protect interests of the ruling class and administer general social activities. So, in nature, the State has two fundamental functions, namely, ruling function (management) and social function (servicing). The ruling function is performed through state management activities or public authority management activities in other word, such as institutional building and policy making; strategy development and planning; organizing and directing the implementation of laws, policies, strategies and development plans; examination and supervision of social activities. The social function is carried out through activities in service of essential needs and benefits of the people, organizations and the society.

In order to ensure social order, equality and stability, the State must reinforce social management through its power strength, and not less importantly, it has to secure the organization of goods and service provision to meet the basic and essential needs of the population and community. However, the execution of these two functions of the State in different periods requires different focuses of attention. Formerly, while mentioning the State, it was worth mentioning that the State’s major focus was its ruling function, i.e., the State paid excessive focus on its management aspect. Servicing activities, however, were just carried out in rare cases of emergency in order to overcome natural calamities and enemy-inflicted destruction or in life-and-death activities relating to the national security (such as famine rescue, epidemic disease elimination, and dike construction).

Nowadays, there is a prevailing tendency of unifying these two functions of the State together, citing that the ultimate goal of the State is to maintain social stability and development, and for realization of this goal, the State not only organize and manage the society purely though compulsory legislations but also through satisfaction of minimum essential needs of the people, i.e., provision of public services for the society.

However, the implementation of these functions is now working toward a new approach. In addition to emphasize the role of organizing goods and service provision to meet basic and essential needs of the population and community, ensuring social equality and stability, it is also equally necessary to consider paying adequate attention to limit direct interventions, reform roles and functions and downsize the State apparatus as one of national priorities toward achieving for-the-people and sustainable socio-economic development objectives, improving quality and efficiency of public service provision to better meet increasing needs of the people and community.

In the 20th century, the States of many socialist countries, basing on the central planning and subsidizing economy, took care and ensured to serve all needs and benefits of all individuals in the society. Following this mechanism, all people engaged in production activities subject to their capabilities, professional skills and state assignment and they received egalitarianism-based provision of goods and services by the State on the basis of achievements of the society. This way of social
organization and provision of social products to the population was once perceived a preeminent nature of the socialism compared to the capitalism. Nevertheless, due to the implementation approach there was no adequate separation between management and servicing, which not only resulted in unimproved management function with low effectiveness but also in inefficient servicing function with quality being increasingly lagged behind social life development as well.

Since its initial establishment, the Socialist Republic of Vietnam has expressed its nature of ‘a State of the people, by the people and for the people’, putting national interests first. The Party and the State of Vietnam always gives prominence to take care all aspects of people’s life, boost production, health, and education, improve material and spiritual life of the people. However, there remains a gap between its desire and reality. Vietnam is still one of underdeveloped countries and its capability to meet people’s needs of services remains limited.

In the context of developing its socialist oriented economy toward greater openness and economic integration, Vietnam needs to further accelerate the cause of state administration reform, contributing to build and perfect the Socialist Jurisdiction State. The administration reform is aimed to build a democratic administration regime, which is transparent, strong and gradually modernized for better serving basic and essential needs of and ensuring basic rights and obligations of Vietnamese people. In which the reform of roles and responsibilities of the Government and the State administration apparatus in management and organization of public service provision integrated with the enhanced socialization policy of public service provision is indeed a vital task that requires a greater focus of attention.

Regarding this issue, the 9th National Party Congress Resolution stipulated that “to encourage and support organizations operating not for profit but for people needs and interests; to create favorable conditions for organizations to engage in provision of some public services in such fields as environmental sanitation, public order maintenance at communal level” with community monitoring. The 10th National Party Congress Resolution reiterated the task of “reforming management mechanism and modality of public service provision”.

The public administration reform master plan for the 2001-2010 period of the Government required “to build a right perception on public service. The State is responsible for taking care of material and cultural life of the people, however, it does not mean that state agencies directly involve in all activities relating to public service fields. It is necessary to define clearly which activities the State must directly involve in and which activities the State needs to transfer to social organizations for implementation”.

In term of legal aspect, various normative legal documents relating to public service have been promulgated. The Law on Governmental Organization issued in 2001, Decree No. 86/ND-CP and other Decrees on functions, tasks, rights and organizational structure of ministries and ministerial-level agencies, agencies attached to the Government and local authorities have provided a clear statement that the public service provision is one of major functions of the State administration apparatus. Together with the acceleration of economic and administration reforms, the government has issued some new policies aiming to separate state administration management and public service activities, renovate financial mechanism applicable to non-business and public service units.
Accordingly, it can be seen that in the transitional period of Vietnam attached with administration reform, the roles and responsibilities of the State in the public service field have been obviously defined both in political policies and orientations and in legal regulations as well, specifically as follows:

- **Direct provision of some public services**

  As the State is responsible for public services so it has to directly involve in providing some public services through its established agencies and organizations. This is also an indispensable work that the State virtually cannot refuse to undertake. In this connection, the matter is that the State must identify its direct provision in which services and to which degrees in order to avoid excessive capability, especially in terms of financial and human resources.

  The current global trend is that the State just directly implement public services to which the social organizations are unable to do or unwilling to do. In the context of Vietnam, the State both fosters socialization of public services in such fields as education, health, culture, at the same time provides remarkable and specific decentralization to local authorities on their direct management and implementation of public services which directly relate to citizen’s life and community. The government and ministries just directly provide vital services which require high quality and sophistication. The State will transfer, support and facilitate social organizations and the private sector to carry out public services which are capable of being done by those entities within the framework of state orientations and supports. With the passage of time, for public services which are both proved to be completely and efficiently performed by social organizations and are charged at affordable market price, these public services then will be transferred to normal services.

- **Building common and unified policies, at the same time perfecting specific policies for each kind of public service**

  Being commonly called as public service, however, public service indeed consists of various kinds and each kind consists of various specific and distinguished service forms. For instance, also within the classified group of education service, university education, however, differs from kindergarten education and primary education or within health service, examination and treatment service, nevertheless, is different from community health service and initial health care service. Further analysis will certainly show more differences in nature and sophistication of each service. Participating in provision of those services in a modern society will be various entities: the State, market, social organizations, individuals, etc. Even within the State sector, there are many entities: administrative agencies, non-business units and organizations, state-owned enterprises. Service provision by different entities is to service different purposes. So the State needs to build a system of mechanisms and policies in pubic service provision to be used as a legal basis for unified organization and direction. This system also serves as a basis for social organizations and citizens to select and engage in pubic service provision efficiently.

  Moreover, the development of a complete public service policy is also to ensure that public goods and services are delivered to beneficiaries, helping to overcome losses caused by service providers. In some fields, it is necessary to explore a mechanism of allocating service budget directly to service beneficiaries, bypassing indirect allocation through service providers. In the education sector, instead of allocating training budget to public schools, there may be a consideration of providing
budget directly to students, thereby allowing them to study in their selected suitable schools, or in the health sector, it may be possible to research a mechanism of allocating health insurance budget. Some other fields such as legal support to the poor in court, which has been allocated so far by the Legal Assistance Department, Ministry of Justice, to lawyer delegations, now should be considered to be allocated to persons concerned through the banking system for their self-selection of lawyers and paying lawyer’s fee directly.

Briefly, major contents in development of public service mechanism and policy need to cover the following:

- to regulate and supervise organizations, enterprises and individuals to ensure public service provision in accordance with requirements on service price, quality and beneficiaries, etc.
- to encourage economic components to engage in public service provision, thereby reducing the burden for the State apparatus.
- to provide direct supports to users through tax exemption, tuition fee exemption, scholarship provision, exemption of some other contributions, etc., basing on specific kinds of beneficiaries, supports through reduced service prices, etc.

The market economy mechanism operates in mixed interactions among three components: competition, monopoly and state regulation. In this mechanism, the role of the State is to establish legal framework to ensure equality, competition, ownership, economic efficiency and social benefits; to maintain economic stability and development; and to guarantee social welfare for all people strata in various forms except its direct involvement in carrying out all production, business and service provision activities as seen in the former period.

According to the new economic mechanism, the important role of the State in public service provision remains unchanged but service provision modalities need to be adaptively reformed. The regulatory role of the State in all activities in the society becomes very important and therefore it is put ahead of the role as a service provider. It is also necessary to develop and issue institutions, mechanisms and policies to create favorable climate for public service activities.

- Continuing investment in public service both in finance and development of a service provision system

With respect to non-state subjects, their provision of goods or service is for profit-seeking purposes. They virtually pursue immediate profits and/or individual benefits but ignore social and long-term impacts; issues relating to labor conditions, environmental and natural resource protection are also often ignored or beyond capability of enterprises. Furthermore, given public service characteristics, the service providers in many cases are not able to recover costs or have profits.

In this circumstance, just the State with the role of a public authority has adequate conditions in terms of power, human resources and material resources, etc., to be capable of providing or regulating and supervising the provision of necessary public services, serving common needs and interests of the whole community. The State is also capable of mobilizing budget revenues and having investment plans to create and deliver public services to benefit the society. The mobilization of contribution of individuals in reality are uneven, however the use of public services is not necessarily subjected to their respective contributions. In many cases, all individuals may consume the same level of public goods regardless of their different
contributions and thus the State shall have to compensate inadequacies associated with excessive consumption of individuals.

Together with increased financial investment, the State needs to establish a network of diversified public service providers with the participation of various components in various social fields nationwide, which is capable of providing adequate public services with required quality and reasonable price to meet increasing needs of the society. Without the establishment of a network of providing these services, there will be no mention of responsibility and efficiency of public service provision. So, the establishment of a network of public service providers is an important task of the State in the public service sector.

- Continuing improvement of public service provision

For adequate provision of public services with increasingly improved quality, the State is required to continuously improve its public service provision both at macro level and micro level through specific provision activities.

In macro level, improvement is aimed to define clearly what kinds of public service the State needs to ensure to provide to the society; how to materialize state intervention: direct involvement or indirect involvement through financial provision or just simply through issuance of standards on quality and price; how to mobilize the expanded participation of social subjects in accordance with requirements of public service provision; how to provide detail assignments and decentralizations to authorities at all levels on their responsibilities of providing public services to the society and citizens. To ensure that public service provision of the State is efficient and meet the needs of the people, the State is required to adjust and reform its public service provision as follows:

- to encourage competition between public service providers;
- to evaluate operations of state-owned public service providers basing on their outputs, not their inputs;
- to recognize consumers/users as customers having their own choices;
- to decentralize power and apply the co-management regime;
- to replace the bureaucratic mechanism with the market mechanism;
- to perform the role as a catalyst to enable the public and private sectors to voluntarily engage in addressing community issues.

If public service provision at macro level requires continuous improvements then specific provision activities requires more frequent improvements. However, these improvements must be developed taking into account of different characteristics and nature of each service. For instance, with regard to the administration service, there is a need to apply electronic technology to gradually establish an e-Government to provide services to the people. With the use of electronic technology, service provision capabilities are improved greatly with fast delivery, convenience and broad coverage through various channels such as telephone, Internet, electronic kiosk, networking websites. Or in provision of health and education services, there is a need to pay greater attention to vulnerable groups such as the helpless poor, orphan helpless children, the disabled people, and people suffering from disasters.

- Having diversified interventions suitable with components and subjects engaging in public service provision

All these above-mentioned service provision activities regardless of their forms, the State remains bearing responsibility before the society of providing them,
aiming to serve essential needs of the whole community and meeting development needs of the society. In order to fulfill this goal, the State has diverse approaches of intervention.

Interventions and adjustments are made through budgets directly allocated to through budgets which are partly or wholly provided to provision contracts, thereby the State plays the role of deciding or controlling the provision of goods and services on aspects of quantity, quality, delivery time and targeted beneficiaries according to state regulations.

Interventions are made through regulations. Rules-based intervention is the slightest intervention with the lowest cost. In this way of intervention, the government allows the market to carry out public service provision and the State manages services provided by non-state entities through its issuance of regulations. For example, the State may promulgate regulations on quality and price to limit monopoly, food safety regulations, medicine regulations, sanitation and fire regulations applicable to restaurants and hotels, financial and accounting regulations, regulations on education and health services. Another way of doing is that the State allows private enterprises to act as providers of electricity and water to the people, provided that they have to obey certain compulsory state regulations such as requirement of providing electricity to remote and isolated areas and requirement of complying with electricity and water prices regulated by the State.

In principle, public service providers have to obey state control in various aspects in service of social objectives of the State. These state interventions are deemed necessary to maintain providing the society with the most essential needs. However, state interventions in many cases are excessive, resulting in inefficient operation of service providers or even eliminating development driving force of these units.

- Strengthening examination and supervision

As there is virtually impossible to quantify the consumption of a majority of services by individuals so there exists uneven consumption of public services between individuals; many people consume excessively as they don’t have to pay money or pay very little to their additional consumption. This causes a burden to the State budget in public service provision. However, that the State allows the private sector to engage in public service provision and just maintain indirect intervention to their provision activities may lead to the emergence of contradictions. When concluding contracts with private units, it is also difficult to identify accurately characteristics and quality of committed services. Examination and supervision to ensure quantity and quality in service provision are also matters of concern and this is also a key task belonging to the management function of the State.

Briefly speaking, in the development context of the socialist oriented market economy, the State is required to reform its role and functions in general and its role and responsibilities in the public service sector. However, this reform does not mean to reduce the role of the State but on the contrary to require clear distinction and further improvement of the role and responsibilities of the State in management and organization of public service provision the people and the society; to clearly identify functions, tasks and responsibilities of the Government, Ministries, Branches and localities at all levels in management and organization of specific public service provision; and to ensure social equality, supports to the poor and social policy
beneficiaries, overcoming limitations and shortcomings of the market economy. These reforms, as above analyzed, can be summarized as follows:

- To make clear distinction between state management and public service provision organization; to identify clearly what kinds of public service are too be directly provided by state units; to further decentralization to local authorities at all levels. To ensure public and transparent implementation in public service provision and management; to strengthen the role of the people in monitoring and evaluation of public service provision quality and efficiency.

- To perfect the system of institutions and policies relating to public service provision and management on the basis of clear distinction among public service organization and operation, state management, and production and business management. To define a mechanism of service provision management and organization suitable with characteristics and nature of each kind of service. To identify clear responsibilities, objectives, operational contents, service quality and at the same time to ensure the autonomy of public service providers.

- To develop plans and restructure the system of public service providers to meet the needs of improving quality and efficiency of the public service network in the whole country as well as in each field, each region and each locality. The organization of the public service provision network is not necessarily subjected to administrative boundaries but flexibly based on specific regions, residential areas, characteristics and nature of service and people’s needs. To rapidly develop non-public units engaging in public service provision. To reform the modalities of public service provision to be in accordance with characteristics and nature of each kind of public service, each kind of beneficiary subject, each area and territorial region, ensuring providing the people with the most convenient access to public services.

- To develop appropriate policies applicable to the workforce in public service fields on training, salary/wage, allowance, insurance, bonus, honoring, talent attraction, expert, etc., which are found suitable with nature and characteristics of specific fields and regions.

- To reform the financial-budget management mechanism in the public service sector. The State needs to allocate budget properly to public services, at the same time to accelerate the attraction of social resources to engage in public service provision; to enhance investment efficiency of the State and bring into play full potentials of the whole society to serve public service activities. To restructure state budget spending in the public service field toward focusing investment in provision of the most basic and essential services; meeting priority objectives and national programs; serving people in mountainous and disadvantaged areas; supporting the poor and social policy beneficiaries. To transform the modality of allocating budget in the public service field toward providing budget support to direct service beneficiaries instead of allocating budget to public service providers, and applying outputs-based budget allocation subject to service quantity and quality instead of inputs-based budget allocation.

- To develop a system of examination and supervision instruments and mechanism of the State and monitoring mechanism of the people toward activities performed by public service providers. To bring into play the role of social unions and mass organizations, especially professional associations in monitoring public service provision activities.
So, in its nature and in accordance with the common global trend, Vietnam has made important development steps in the building of a servicing state in transition. However, these are just initial achievements. In the future time, together with the increasing development of the market economy in the context of wider and deeper integration into the globalized world economy, there will be further requirements on accelerated reforms and more clarification of the roles and responsibilities of the State in the public service sector so as to not only ensure that the State will be capable of better meeting needs and interests of the people, fulfilling the objective “implementation of social advancement and equality right within each development step and policy” but also create important conditions for speeding up economic development and building an increasingly powerful State.