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HOW DIGITAL

GOVERNMENT PROMOTES EMPLOYMENT AND ENTREPRENEURSHIP: A TRIPLE THEORETICAL ANALYSIS

COMO EL GOBIERNO DIGITAL PROMUEVE EL EMPLEO Y EL EMPRENDIMIENTO: UN ANÁLISIS TEÓRICO TRIPLE

Feng Qian ¹

E-mail: fengqian11251125@outlook.com

ORCID: <https://orcid.org/0009-0004-9266-1945>

Razlini Mohd Ramli ^{1*}

E-mail: razlini@usm.my

ORCID: <https://orcid.org/0000-0001-9765-0795>

¹ Universiti Sains Malaysia, Malaysia.

* Author for correspondence

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ABSTRACT

Employment and entrepreneurship are two closely intertwined modes of work, serving as the cornerstones for livelihood security and economic development. Both require government support and services. Digital government, optimized through digital technologies, plays a crucial role in facilitating employment and entrepreneurship. This study uses inductive reasoning to explore how digital government promotes employment and entrepreneurship based on a sequence of what, why, and how reasoning. Initially, in the context of China, real-world observations reveal problems such as incomplete information disclosure, immature administrative systems, and a need for enhanced service quality in government support for employment and entrepreneurship. Drawing upon theoretical foundations, analyses are conducted based on three theories: asymmetric information theory, transaction cost theory, and new public service theory. Recommendations for strengthening digital government are then proposed, grounded in these theories. The theoretical foundation established by this study on how digital government promotes employment and entrepreneurship development is not only applicable to China but also to the majority of developing countries worldwide. It holds significant theoretical value and practical implications for governments worldwide in leveraging digital government to better serve and promote employment and entrepreneurship development, thereby advancing economic and social development.

Keywords: Digital government, Employment, Entrepreneurship.

RESUMEN

El empleo y el emprendimiento son dos modos de trabajo estrechamente entrelazados, fundamentales para la seguridad del sustento y el desarrollo económico, y requieren apoyo y servicios gubernamentales. El gobierno digital, optimizado mediante tecnologías digitales, desempeña un papel crucial en facilitar el empleo y el emprendimiento. Este estudio emplea el razonamiento inductivo para explorar cómo el gobierno digital promueve el empleo y el emprendimiento, basándose en el que, por qué y cómo. Inicialmente, en China, observaciones del mundo real revelan problemas como la divulgación incompleta de información, sistemas administrativos inmaduros y la necesidad de mejorar la calidad del servicio gubernamental para el empleo y el emprendimiento. Basándose en fundamentos teóricos, se analizan tres teorías: información asimétrica, costos de transacción y nuevo servicio público. Se proponen recomendaciones para fortalecer el gobierno digital, fundamentadas en estas teorías. La base teórica establecida en este estudio sobre cómo el gobierno digital promueve el empleo y el emprendimiento no solo se aplica a China, sino también a la mayoría de los países en desarrollo, con implicaciones prácticas y teóricas significativas para los gobiernos en el aprovechamiento del gobierno digital para mejorar el desarrollo económico y social.

Palabras clave: Gobierno digital, Empleo, Emprendimiento.

INTRODUCTION

The digital government of China has experienced significant progress in recent years. Based on the findings of the United Nations (UN) E-Government Survey, China's e-government development index (DGDI) has consistently achieved notable advancements over the period from 2012 to 2022. The DGDI has witnessed a significant increase from 0.5359 to 0.8119, resulting in an improved ranking from 78th to 43rd globally. Moreover, China's DGDI group has transitioned from the high-level group to the very high-level group, specifically from the fourth to the third tier within the very high-level group. This advancement places China enter the uppermost echelon globally, and it is noteworthy for its significant growth rate, which ranks among the greatest worldwide. Therefore, focusing on China as the research context holds significant reference value for countries worldwide. Specifically, China's development of digital government is an example that developing countries can look to (Guliyev et al., 2023).

The Chinese government emphasizes the continuous need for digital government construction to meet the diverse service requirements of enterprises and the public, with particular emphasis on the demand for employment and entrepreneurship services. China stresses the acceleration of the digitization process of government services for employment and entrepreneurship. Therefore, researching how digital government serves and promotes the development of employment and entrepreneurship aligns with the requirements of the country's political and economic development.

This study will concurrently examine employment and entrepreneurship as influencing factors. Firstly, the problems existing in government service employment and entrepreneurship are found out from reality. Secondly, drawing on theoretical perspectives to elucidate the adverse impacts of these problems. Finally, drawing upon theoretical insights, the study will subsequently propose recommendations centered around enhancing digital government. A comprehensive theoretical underpinning has been established for digital government to foster employment and entrepreneurship. This underpinning serves as a theoretical basis for advancing the growth of employment and entrepreneurship, maintaining social stability, and driving economic and social progress. This also provides a theoretical reference for countries around the world.

Concept definitions

Digital government

To clarify the influence of digital government on employment and entrepreneurship and to assess the feasibility

of their interconnection, it is imperative to first establish a precise understanding of each concept. From the initial rise of e-government to today's high degree of integration of digital technologies with government governance practices, the digital government has gradually evolved, and the digitization of government has shown a dynamic evolutionary process. In this process, scholars have successively put forward some terms such as "electronic government", "e-government", and "digital government". These terms are commonly considered to possess a certain level of universality and are frequently utilized interchangeably as synonyms (Jiang & Huang, 2020). Globally, the E-Government Survey issued by the UN and many literatures (Carter et al., 2022; Das & Das, 2022; Ha, 2022) also mix various expressions such as "e-government" and "digital government".

The inception of the e-government concept can be traced back to the United States' Information Superhighway Initiative introduced in 1993. During that period, e-government primarily denoted the utilization of information technology to represent the government's functions in providing public services, overseeing administration, and responding to public opinion. In 2012, the United States government released the document titled *Digital Government: Building a 21st Century Platform to Better Serve the American People*, which called for the establishment of a digital government that is oriented towards public service. It advocates a "small government - big society" paradigm, emphasizing collaborative governance between the state and society.

Presently, within the academic sphere, there is no uniform definition of digital government. According to MacLean & Titah (2022), digital governance essentially encompasses the utilization of the Internet and associated technologies by the government to deliver services to its inhabitants. According to Carter et al. (2022), digital government refers to the utilization of information technology and information systems capabilities by the government to provide public administration and services at many levels, including local, regional, and national.

Regardless of how digital government is defined, the fundamental objective of government is to serve the populace, and the adoption of digital transformation by the government is aimed at enhancing service delivery. This study considers a digital government as a government that uses digital technology to reform the government, to improve the government's governance and service delivery capabilities to meet the development needs of the digital age, and to better serve the public as the goal. Digital government can mitigate certain limitations associated with traditional governance more effectively than

its conventional counterpart. This paper examines the positive impact of digital government on the development of employment and entrepreneurship from the standpoint of supplying public services, which is the goal of digital government.

Employment and entrepreneurship

In economics, employment is considered the participation of the labor force factor in the production of goods and services (Azazi, 2022). Employment is defined in the *Resolution Concerning Statistics on the Economically Active Population, Employment, Unemployment and Underemployment* adopted by the 13th International Conference on Labor Statistics of the International Labor Organization (ILO) in 1982 as an activity carried out by people of a certain age for remuneration or profit. Based on the recent revision of China's Labor Act in 2018, employment refers to the lawful involvement of individuals possessing the ability to engage in remunerative or labor-based activities, within the legally permissible working age, as stipulated by the relevant legislation.

Huang (2016) elaborated on the legal delineation of employment, contending that employment encompasses an economic endeavor wherein an individual of legal maturity, possessing a specific level of work capability, and utilizing the means of production, lawfully partakes in a particular form of societal labor. This engagement yields earnings in the form of wages and salaries, or income derived from business activities, which serve as the individual's primary source of sustenance. Furthermore, employment exhibits distinct attributes of an economic nature, social interdependence, discernment, and adaptability. This study aligns with Huang's perspective that employment encompasses not just the acquisition of revenue through wages and salaries, but also encompasses income generated from entrepreneurial activities, such as self-employment and business operations. This study refers to the concept of employment as the labor-related activities performed by individuals within the legally permissible working age. These activities must comply with relevant laws and regulations, and entail the potential for workers to receive compensation or income derived from business operations.

Entrepreneurship is subject to various definitions, with scholars often framing it through lenses such as innovation, creativity, opportunity, and value. For instance, Li et al. (2023) contended that only activities capable of generating novel, distinctive, and valuable outcomes qualify as entrepreneurship. Porfirio et al. (2023) characterized entrepreneurship as an activity that delivers value to products and services by assuming risks such as equity, time, and professional commitments.

In addition, it is worth noting that several researchers have indicated a correlation between entrepreneurship and employment. For instance, Valdez et al. (2022) argued that entrepreneurial activities could create job opportunities for a country or region. Diandra & Azmy (2020) perceived entrepreneurship as a dynamic process that entails job creation and the facilitation of economic progress. Chinese laws and policies underscored the relationship between entrepreneurship and employment. The sole legislation specifically addressing employment promotion in China, the *Employment Promotion Act of the People's Republic of China*, encouraged workers to achieve employment through autonomous entrepreneurship and self-employment. The latest policies regarding optimizing and stabilizing employment also highlighted the multiplier effect of entrepreneurship in driving employment growth. The nationwide call by the Chinese government for "mass entrepreneurship and innovation" was another initiative aimed at encouraging the public to achieve self-employment through entrepreneurial activities. This study aligns with the aforementioned perspectives and posits that entrepreneurship is a process wherein individuals identify and capitalize on business prospects, leverage various resources, establish employment possibilities and enterprises independently, pay themselves a salary, and attain both self-employment and personal value.

Feasibility analysis of the relationship

The government's fundamental purpose is to serve the people, and the concept of a digital government leverages modern technology to achieve the modernization and intelligence of government operations. This is aimed at better meeting public needs and elevating the government's service and management capabilities, ultimately providing improved services to the public. This study is positioned within the framework of the digital government's commitment to delivering higher-quality services, exploring its impact on employment and entrepreneurship. In other words, this research investigates how the digital government, from the perspective of optimizing services, contributes to the advancement of employment and entrepreneurship.

A close relationship exists between entrepreneurship and employment, and both require government services. To begin with, both employment and entrepreneurship involve earning a livelihood through labor. While employment entails maintaining an existing position, entrepreneurship involves starting one's own business. These two forms of work are complementary and interchangeable. Secondly, the government approaches the provision of services for entrepreneurship and employment from the same foundation, which is to ensure the stability of society and the

protection of people's livelihoods. Thirdly, Employment and entrepreneurship both necessitate government services and assistance; therefore, enhancing the government's capacity to administer and provide assistance via digital government development will affect both employment and entrepreneurship. In conclusion, it is feasible to concurrently examine the effects of digital government construction on entrepreneurship and employment as influenced variables. In academia, the two relationships are presently examined in isolation (Carter et al., 2022; Das & Das, 2022); therefore, this study's objective is original and groundbreaking.

Starting from the logical structure of what, why, and how, this study will focus on asymmetric information theory, transaction cost theory, and new public service theory to analyze how digital government promotes the development of employment and entrepreneurship, and lay a profound theoretical foundation for the impact relationship.

MATERIALS AND METHODS

This study will employ inductive reasoning to identify problems existing in reality by synthesizing observed phenomena and literature documentation. Subsequently, leveraging a rich theoretical foundation from the realm of social sciences, triple theoretical support will be found to address these problems. Building upon each theoretical strand, an analysis will be conducted to demonstrate how digital government contributes to resolving real-world issues. This endeavor contributes theoretical strength to consolidating digital government initiatives, ensuring employment and entrepreneurship, and promoting economic and social development. Additionally, it lays the theoretical groundwork for subsequent empirical research.

What are the problems: Based on reality?

Currently, although the construction of digital government is actively progressing globally, certain issues persist in the context of government provision of services for employment and entrepreneurship.

Incomplete information on employment and entrepreneurship released by the government

Due to its elevated managerial position and status as the official administrative body, the government possesses information that is inherently more accurate and comprehensive than that available to the public and businesses. However, at times, deficiencies in information completeness may arise within the government's process of delivering services for employment and entrepreneurship, posing challenges for the public in accessing pertinent information. These manifestations include, firstly, the government providing only the most basic employment or

entrepreneurship information, such as job titles, locations, and salaries, while lacking other crucial details, such as working conditions, benefits, and promotion prospects. This deficiency may result in the public's inability to assess the authenticity and reliability of job or entrepreneurship opportunities. Secondly, when the government provides information related to employment or entrepreneurship, it fails to include background details about these opportunities. For instance, information about the skills and experience required for a particular position or the developmental trends within a specific industry is often omitted. This results in the public being unable to comprehend the practicalities and prospects associated with employment or entrepreneurial opportunities.

Thirdly, the government disperses employment or entrepreneurship information across various websites and departments, lacking clear guidance and explanations on online platforms (Pramiyanti et al., 2020). This may impede the public's ability to locate the requisite employment or entrepreneurship information. These issues collectively contribute to the public or businesses being unable to obtain comprehensive information. The dissemination of employment and entrepreneurial information by the government exhibits discrepancies during its transmission to the public, highlighting **a challenge that must be further addressed in the process of digital government construction.**

The ease and maturity of the system of employment and entrepreneurship services provided by the government need to be improved

For employment, citizens are required to undergo identity verification, process social security and medical insurance, seek employment consultations, and participate in job skill training through government channels. For entrepreneurship, businesses must go through government procedures such as registration, obtaining business licenses, tax identification numbers, and annual inspections. These transactions can be facilitated through the government's online platforms. However, there are some problems as follows: firstly, when dealing with these procedures, individuals typically need to access intranet systems, which often require configuring or installing plugins on common web browsers. Occasionally, problems like website crashes and loading failures arise, impeding job seekers and entrepreneurs from smoothly completing their transactions and consuming more time and effort. Secondly, online transaction platforms may demand users to possess a certain level of technical proficiency to navigate effectively, for instance, filling out complex forms and uploading documents. This can pose difficulties for some users. Furthermore, government-provided online transaction

platforms lack live support staff, resulting in users potentially experiencing delays in obtaining assistance and problem resolution, ultimately leading to decreased efficiency in transaction processing.

Finally, the researcher has personal experience in founding a business, encountering a multitude of documents to be completed during the process. In the course of filling out these materials, challenges arose due to issues such as outdated information in the system, necessitating re-submission. Moreover, the submitted materials required in-person verification at the offline government service hall before uploading to the system, prompting the researcher to make three visits to the local government service hall in the city. The researcher found the service procedures for entrepreneurship inconvenient. These instances underscore the limited maturity and convenience of the service processes offered by the digital government for job seekers and entrepreneurs.

The service quality of government is incongruent with the demands of the public

On one hand, employment seekers and entrepreneurs in China urgently require government support and assistance. In June 2023, the unemployment rate for the labor force aged 16 to 24 reached 21.3%, marking a historical high. Simultaneously, the graduating class of 2023 from national universities reached 11.58 million individuals, representing a year-on-year increase of 820,000, also setting a new record. These contrasting figures underscore the challenging employment situation faced by young job seekers in China. In such circumstances, job seekers necessitate increased government assistance. Regarding entrepreneurship, according to the *2022 China Youth Entrepreneurship Development Report* released by the China Youth Entrepreneurship and Employment Foundation, 36% of surveyed entrepreneurs facing difficulties in entrepreneurship expressed the desire for more favorable tax policies from the government. Additionally, 29% hoped for a simplification of administrative approval processes when handling entrepreneurship procedures, expecting that the process would be streamlined to help businesses improve efficiency and reduce various costs.

On the other hand, there is room for improvement in the quality of service provided by China's human resources and market supervision departments. A sample survey on the quality of employment services conducted by a provincial-level government in China reveals that overall satisfaction among job seekers with public employment services is relatively low (Kong et al., 2021). An investigation into the quality of employment services provided by urban Chinese governments indicates that 40.4% of the

public express a "very dissatisfied" sentiment towards the government's performance in employment services; the public perceptions of service elements, access channels, effective supply, and institutional image are characterized by lower experiential satisfaction; the public believes that there exists a significant disparity between actual service quality and their expectations (Gao, 2020). A survey on the service conditions of entrepreneurial parks under Chinese urban governments indicates that there are issues with the service quality of government entrepreneurial guides. Entrepreneurs report a scarcity of channels through which they can raise concerns, and there are delays in responding to the issues brought forward by entrepreneurs (Sun, 2022).

From the aforementioned perspectives, it is evident that, on the one hand, Chinese employees and entrepreneurs urgently require support and assistance from the government; on the other hand, there is room for improvement in the service quality of China's human resources and market supervision departments. These dual aspects of contradiction reflect the issues existing in the government's provision of services related to employment and entrepreneurship. To mitigate the intensification of these conflicting aspects, the government should take additional measures to optimize its service delivery model and enhance the quality of government services. Strengthening the development of digital government represents one such measure.

Why solve the problems: Mining theory from reality?

Firstly, the problems surrounding government information disclosure result in information asymmetry between the government and employees and entrepreneurs. The government occupies a position of authority as the official administrative body, thereby possessing information that is more accurate and comprehensive than that available to the public and businesses. If government information disclosure remains incomplete, it exacerbates the information asymmetry between the government and the populace. The asymmetry information theory, developed and refined by Akerlof (1978), delineates information asymmetry from the perspectives of buyers and sellers in transactional markets. Sellers typically possess more comprehensive and accurate information, while buyers lack reliable sources of information, potentially resulting in harm to the interests of buyers. This asymmetry, extending from transactional relationships to the interactions between the government and the public, holds. The government and the public represent two interconnected entities in the administrative domain, serving as the two ends of information dissemination. When the public encounters difficulty in accessing or obtaining crucial information held by the

government, a situation of asymmetric information arises, consequently causing harm to the public disadvantaged by the informational disparity.

When employees and entrepreneurs encounter prolonged periods of asymmetric information in accessing employment and entrepreneurial information, such as when job seekers are unable to obtain comprehensive information during their search for job opportunities, or when entrepreneurs cannot find comprehensive information when seeking entrepreneurial support, it can lead to frustration in their employment and entrepreneurial processes. This frustration can diminish the enthusiasm of job seekers and suppress the entrepreneurial intentions of potential entrepreneurs, thereby impeding the development of both employment and entrepreneurship.

Secondly, problems with the convenience and maturity of government systems result in employees and entrepreneurs spending more time and effort when handling their affairs. This, in turn, escalates the costs in terms of manpower, resources, and finances associated with these transactions. According to the transaction cost theory, reaching outcomes necessitates incurring certain transaction costs. If transaction costs are excessively high, they hinder the attainment of optimal results or can lead to transaction failure. This theory initially emerged in the economic realm, according to the classic definition of Coase (1995), positing that individuals are bounded rational and incur information costs, negotiation costs, and contract costs when engaging in economic activities to acquire and process market information effectively.

The primary objective of the transaction cost theory is to identify and mitigate transaction costs to achieve optimal outcomes. This concept extends to the domain of public management, wherein individuals interact with the government similarly. The government, as the administrative body of the state, manages and serves the general populace, who also require government support and services. In the process of governing and serving society, the government needs to acquire information from within the community, typically through surveys, visits, and other means. When the general populace seeks support and services from the government, they must follow certain procedures and protocols (Coase, 1995). The exchange between the general populace and the government constitutes a form of transactional relationship, in which transaction costs inevitably arise. For entrepreneurs and job seekers, if obtaining government services incurs excessive time, effort, and financial costs, it can dampen their enthusiasm during the employment and entrepreneurship processes. This, in turn, hinders the formation of a conducive environment for employment and entrepreneurship

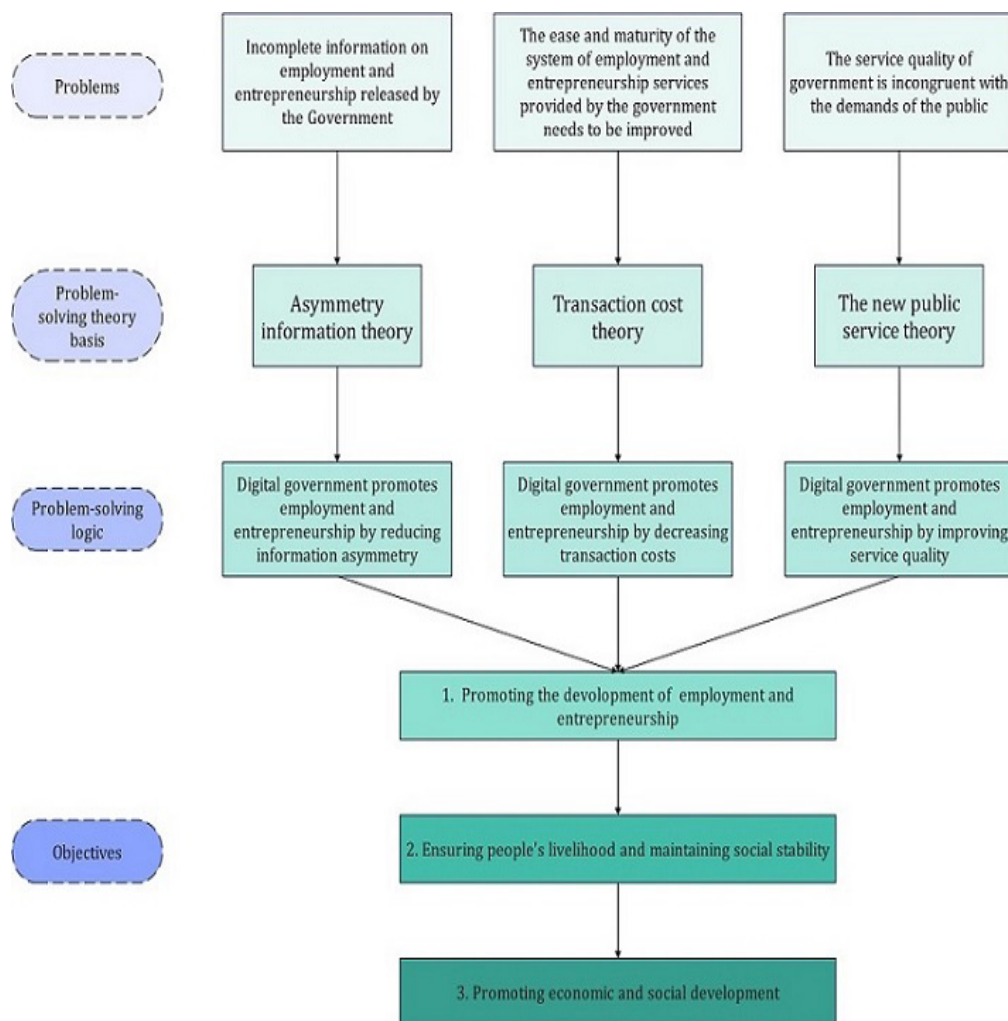
within society and adversely affects economic and social stability.

Finally, when the service capabilities of the government fail to align with the public's demands, it imparts negative repercussions to the government, hindering the cultivation of a service-oriented government. According to the new public service theory, the government should be oriented towards meeting the needs of its citizens, prioritizing service to the people rather than merely steering the ship. The new public service theory is a classic management theory jointly proposed by Denhardt (2015). This theory posits the following principles: firstly, the primary responsibility of the government is not to dictate but rather to provide public services. Therefore, the government should refrain from engaging solely in simplistic managerial activities and instead focus on providing higher quality, convenient, and comprehensive public services. Secondly, it should consistently pursue and realize the maximization of public interests. To achieve this goal, the government should advocate for the establishment of a public interest value system that encompasses the participation of all citizens. Based on fairness, democracy, negotiation, and cooperation, it should strive to maximize public value. Thirdly, the recipients of government services are citizens, and the government should exert maximum effort to provide better services to them. However, the existing issues, namely, the low service capabilities and insufficient satisfaction ratings of the government's employment and entrepreneurship service departments, run counter to the principles of the new public service theory. These discrepancies are detrimental to the government's image and credibility, resulting in an overall decrease in public favorability towards the government. Such shortcomings lower the overall public approval of the government, concurrently dampening the enthusiasm of job seekers and entrepreneurs to seek government services. Consequently, this exerts an adverse influence on the development of both employment and entrepreneurship.

It is precisely due to the adverse effects that the aforementioned problems may bring about that the author, from the perspective of constructing a digital government, seeks theoretical support for addressing real-world problems from the rich theoretical foundation. This effort culminates in the development of a theoretical underpinning for digital government's facilitation of employment and entrepreneurship, as illustrated in Figure 1. This construction of underpinning is innovative in its approach, aiming to address problems related to information disclosure, system optimization, and service quality enhancement through digital government construction. Its ultimate goal is to

stimulate the growth of employment and entrepreneurship, thereby safeguarding livelihoods, fostering social stability, and promoting economic and social development.

Fig 1: Triple Theoretical Foundation of Digital Government for Promoting Employment and Entrepreneurship.



Source: Created by author.

How to solve the problems: Theory guide’s practice

According to the aforementioned theoretical analysis, in response to the challenges faced by the government in the facilitation of employment and entrepreneurship, this study endeavors to explore solutions from the perspective of establishing a digital government. The construction of a digital government entails the utilization of cutting-edge digital technologies to transform the government, thereby establishing an integrated digital government service platform aimed at enhancing the governance and service capabilities of the government. Presently, we shall expound upon the rationale and proposals for addressing problems through the lens of a digital government, focusing on the following three dimensions.

Digital government promotes employment and entrepreneurship by reducing information asymmetry

Based on the tenets of the asymmetric information theory, information asymmetry can result in certain drawbacks. When the public is unable to access or faces difficulties obtaining critical information held by the government, it leads to information asymmetry between the government and the public. This, in turn, can cause harm to the information-disadvantaged

public. Therefore, the government should strive to reduce the degree of information asymmetry between the government and the public. By increasing the level of government information dissemination, digital governance can solve this problem. On the one hand, by broadening the government information release platform, the digital government can more comprehensively disclose information and reduce information asymmetry. For instance, the new media of government affairs is one of the key pillars of the digital government in China. Government WeChat and TikTok are used to transmit government information and promote the development of government new media across multiple platforms, they have the advantages of wide coverage, a large number of audiences, and fast dissemination speed, and play an important role in conveying information to the public and enterprises in a timely and comprehensive manner. By implementing intelligent question-and-answer bots on these government platforms to assist the public in locating dispersed information, the issue of difficult access to information for the public and businesses can be mitigated.

On the other hand, as the meaning of digital transformation, the digital government has also promoted the annual improvement of the level of information disclosure in basic information and critical local government areas. According to the recent *China Government Website Performance Evaluation Report* published by Tsinghua University Institute of National Governance in 2022, the investigation into the level of government information disclosure indicates a gradual increase in information disclosure levels across most regions in China, aligning with the development of digital government. Therefore, the construction of digital government, grounded in the evolving needs of the public and businesses, facilitates the transparent disclosure of information related to employment and entrepreneurship. This not only reduces the difficulty of information retrieval but also makes it challenging to conceal vital information and propagate false information. It enhances information consistency between the government and the public, effectively mitigating the negative impact of information asymmetry on job seekers and entrepreneurs. Consequently, it will increase the public's willingness for employment and entrepreneurship, and it will stimulate public interest in employment and entrepreneurship, fostering the development of both sectors.

Digital government promotes employment and entrepreneurship by decreasing transaction costs

According to transaction cost theory, excessively high transaction costs are detrimental to the interests of both parties involved in a transaction. Low-level and immature information systems can lead to inefficiencies and

inconveniences in public services, requiring the public or businesses to incur additional time, effort, and financial costs to obtain the desired services. The government should aim to reduce transaction costs arising from interactions between the government and the public. Only through this can a balanced alignment of interests be achieved, fostering optimized transactional relationships.

To reduce the transaction cost between the government and the public, corresponding measures must be implemented, the construction of digital government is one such measure. First, the use of advanced technology to make the government more efficient at collecting information, to break down information barriers between government departments to increase the sharing of resources and information within the government, and to decrease the cost of information and resources themselves. Second, the use of more advanced digital technology to upgrade the original service system, improve its compatibility and security, reduce complexity, optimize its guidance, set up a staff online help module, and improve the maturity and convenience of the service system, so that users on the online service platform have more convenient access to services and do not need to visit the government hall repeatedly for processing. In this manner, the cost of time, human and financial resources for the public and businesses to obtain services and assistance can be reduced, which will boost the employment willingness of employees and the entrepreneurial willingness of entrepreneurs, thus fostering employment and entrepreneurship.

Digital government promotes employment and entrepreneurship by improving service quality

According to the new public service theory, a government with limited-service capacity and a suboptimal service level will compromise its authority and public credibility. In the digital age, the government should be transformed by digitization, using digital technology to build a more effective platform for communication and exchange between the government and the public, comprehensively optimizing the government's mode of operation, making the government's operation more transparent, just and efficient, reducing corruption within the government, pursuing the maximization of the public interest, meeting the needs of the public, and improving government's service attitude and enhance service quality. The core objective of digital government entails leveraging digital technology to enhance the caliber of public services. By digitally reforming the government, the various downsides associated with inefficiency and subpar service quality in conventional government services can be eradicated.

Through the development of digital government, a unified digital government service platform is established to provide the public and businesses with more comprehensive, convenient, and high-quality data information and services and to facilitate communication and interaction between the public, businesses, and government. Through the digital government platform, the public and businesses can monitor government operations and provide timely feedback and suggestions (Zainudin et al., 2021). Based on this information, government departments can improve their service levels, optimize the government service model, and achieve two-way development promotion, which is consistent with the theoretical requirements of "establishing an effective exchange and cooperation mechanism between the government and the public" in the new public service theory. According to the needs of the public and enterprises in the process of employment and entrepreneurship, advanced digital technology and digital governance models are used to further optimize the government service model, enhance the level of government service, and resolve the contradiction that government services cannot meet the needs of the public to increase the satisfaction of the public and enterprises with government services, thereby promoting employment and entrepreneurship.

CONCLUSIONS

The development of the digital government is advantageous for enhancing the modernization and intelligence of government operations, as well as elevating the government's service capabilities and standards. Employment and entrepreneurship share an intricate relationship, both necessitating government services and support. Investigating the impact of the digital government on these aspects is feasible, and considering employment and entrepreneurship both as influencing factors within the digital government framework is innovative.

The government faces challenges in providing comprehensive information, possessing an immature service system, and improving service quality concerning employment and entrepreneurship. According to the theories of asymmetric information, transaction costs, and new public service, inadequately addressing these issues may thwart the enthusiasm of job seekers and entrepreneurs, hindering the development of employment and entrepreneurship. Therefore, to address these challenges, this study has constructed a triple theoretical underpinning for the digital government's promotion of employment and entrepreneurship. The aim is to harness the power of the digital government by reducing information asymmetry, lowering transaction costs, and enhancing service

quality to stimulate the development of employment and entrepreneurship. The theoretical framework established by this study is not only applicable to China but also to the majority of developing countries worldwide. The significance lies in its potential to guide governments across the globe in leveraging digital government initiatives to better serve and promote employment and entrepreneurship, thus fostering socio-economic development at large.

In future research, empirical studies can build upon the triple theoretical foundation established in this study and utilize empirical research methods within various country contexts to validate the role of digital government in promoting employment and entrepreneurship.

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