
On AI Governance and Job Displacement:

A Comparative Study of AI Policy in Vietnam and The United States

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Abstract

Artificial Intelligence (AI) is rapidly reshaping economies, governance systems, and labor markets worldwide. As a result, AI governance has become a central policy issue, with countries adopting distinct regulatory approaches shaped by their political and economic systems.

This paper compares AI policies in Vietnam and the United States, focusing on how each country addresses the challenge of labor displacement. Vietnam promotes AI as a strategic instrument for national development, digital transformation, and industrial modernization within a socialist-oriented market economy. In contrast, the United States relies on a market-driven innovation model led by the private sector, while confronting growing concerns over AI-related layoffs and employment insecurity. The study argues that AI policy is not merely a response to technological change but a reflection of broader development strategies, institutional structures, and state-market relations. By examining these contrasting approaches, the paper contributes to understanding how different governance models shape responses to the social and economic consequences of AI-driven transformation.

1. Introduction

Artificial Intelligence (AI) has become a significant global issue, particularly in the field of public governance and policymaking. The rapid development of AI not only creates new opportunities for economic growth, innovation, and productivity enhancement, but also raises major challenges related to technology governance, privacy, legal accountability, and the future of labor markets. The emergence of generative AI tools and intelligent automation systems has intensified concerns about labor displacement, workforce reductions, and job restructuring across various sectors. From

information technology, professional services, finance, and media to creative industries, AI is increasingly performing tasks traditionally carried out by knowledge workers, contributing to concerns over technological unemployment, labor market inequality, and debates regarding the state's responsibility to protect workers from AI-driven disruptions.

In response to these developments, governments around the world have actively begun establishing legal and regulatory frameworks for AI. However, approaches differ significantly across countries and regions. Many countries in the Global North tend to emphasize regulation, risk management, and worker protection against the effects of automation, whereas countries in the Global South, including Vietnam, generally prioritize policies and legal frameworks that encourage AI development and adoption as drivers of economic growth.

In Vietnam, AI policy has been developed within the context of a socialist-oriented market economy, where the Vietnamese Communist Party and the Government identify science and technology, innovation, and digital transformation as key pillars of national development. AI is viewed as an important tool for improving productivity, promoting economic growth, and enhancing national competitiveness. By contrast, the United States represents a capitalist market economy in which the private sector plays the leading role in AI research, development, and commercialization. While maintaining a favorable environment for innovation, the United States has also witnessed significant polarization in public attitudes toward AI and a wave of workforce reductions associated with AI adoption since 2022.

A comparative analysis of Vietnam and the United States demonstrates that AI policy is not merely a response to technological change; it also reflects broader strategic visions, development models, institutional structures, and policy priorities. Furthermore, such a comparison reveals differing perspectives on labor and AI between Vietnamese and American societies.

2. Methods

2.1 Policy Analysis: A Comparative Research Approach

To examine these characteristics, this study employs policy analysis combined with a paired comparative research design to analyze and compare AI policies in Vietnam and the United States. Comparing these two countries allows for an assessment of how different institutional models influence AI governance, labor market adaptation, and the effectiveness of policies designed to support workers facing job displacement or occupational transitions. The analysis also helps identify the opportunities and challenges Vietnam faces in developing and implementing AI-related legal frameworks in the future.

The comparison is conducted based on four dimensions: (i) policy formation context; (ii) policy content; (iii) practices; and (iv) policy outcomes and impacts.

To better understand the relationship between AI and job displacement, the study focuses on knowledge workers in sectors with high exposure to AI, including information technology, services, manufacturing, arts and creative industries, and research. These sectors are expected to experience the most significant changes in employment structures and workforce reductions resulting from AI adoption and broader economic transformations.

2.2 Quantitative Research

To complement the policy analysis and comparative research findings, this study employs quantitative methods to assess the impact of AI on labor markets in Vietnam and the United States. Data are collected from reputable organizations and institutions, including the International Labour Organization (ILO), the Organisation for Economic Co-operation and Development (OECD), the World Bank, the International Monetary Fund (IMF), Vietnam's Ministry of Labour, Invalids and Social Affairs, the General Statistics Office of Vietnam, the U.S. Department of Labor, and the U.S. Bureau of Labor Statistics (BLS).

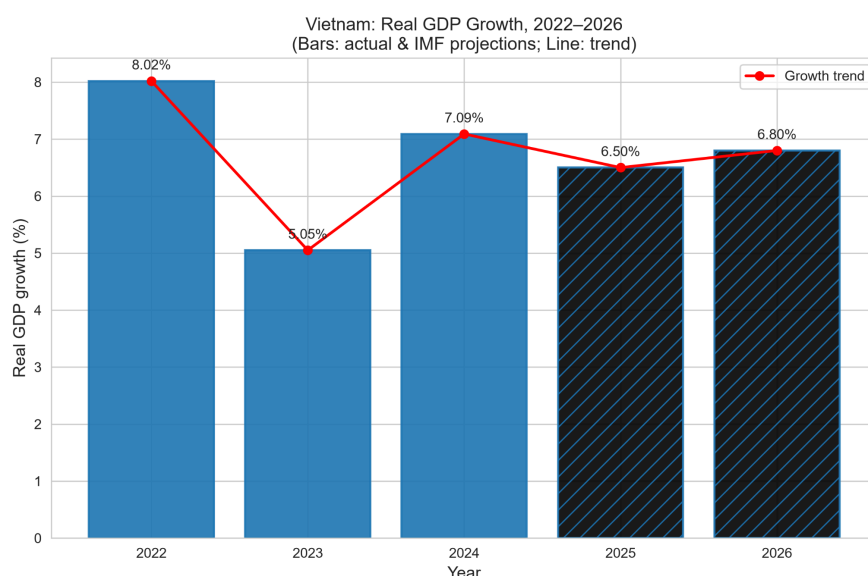
The analysis focuses on indicators reflecting the relationship between AI development and labor market changes, including employment rates by sector, job growth and decline, labor productivity, demand for digital skills, average wages of highly skilled workers, and the proportion of workers at risk of displacement or likely to benefit from AI augmentation. In addition, AI Exposure Indexes and measures of Automation Potential are used to evaluate the degree of AI impact across occupational groups.

3. Result

3.1 Vietnam's political & socioeconomic landscape (2022-2026)

The period from 2022 to early 2026 marked an important phase of recovery, adaptation, and transformation for Vietnam amid the post COVID-19, intensifying global technological competition, and increasing geopolitical instability caused by international wars and conflicts. This period can be divided into two distinct phases. The first phase, the “new normal” period after COVID-19 (2021-2023), focused primarily on economic recovery, social stabilization, and the restoration of production and business activities. The second phase, referred to as the “Era of National Rise” (*“Kỷ nguyên vươn mình”*; 2024-present), has emphasized long-term development goals through strategic reforms in the Communist Party's leadership methods, strengthening Party leadership in the construction of a socialist rule-of-law state “of the people, by the people, and for the people,” streamlining state institutions for greater effectiveness and efficiency, promoting digital transformation, and combating wastefulness.

Politically, Vietnam has maintained the stability of its socialist political system under the leadership of the Communist Party of Vietnam. This stability has provided favorable conditions for the formulation and implementation of long-term development strategies, in which science and technology, innovation, and digital transformation are identified as key drivers of economic growth and national competitiveness. These priorities are reflected in policies promoting the Fourth Industrial Revolution, the National Digital Transformation Program, and the development of a digital economy, digital society, and digital government. The 10th Plenum of the 13th Central Committee officially recognized that Vietnam is entering an “Era of National Rise” reflecting a national development vision centered on science and technology, innovation, and competitiveness in the context of globalization and digital transformation.



Sources: 2022–2024: GSO; 2025–2026: IMF WEO April 2025 projections.

Economically, Vietnam has continued to maintain positive economic growth during the period under study. However, inflationary pressures became more evident between 2024 and 2026. Vietnam’s inflation rate reached 3.63% in 2024 and 3.21% in 2025. According to the General Statistics Office’s Report on Socio-Economic Conditions in May and the First Five Months of 2026, the Consumer Price Index (CPI) increased by 4.31% year-on-year during the first five months of 2026, while core inflation rose by 4.04%. Rising consumer prices have consequently affected labor markets and the quality of life of Vietnamese citizens.



Vietnam’s labor market experienced significant changes between 2022 and 2026. Overall, the unemployment rate remained relatively stable at an average of approximately 2.9%. The reasons behind the rate of unemployment were influenced by multiple factors, including government development policies such as wage adjustments, the ongoing restructuring and streamlining of state

institutions since 2024, inflationary pressures, and broader international developments such as geopolitical conflicts and global economic slowdowns.

Socially, Vietnam continues to benefit from a relatively young population and high levels of internet and digital technology adoption. By 2023, nearly 80% of Vietnam's population used the internet, up from 79.1% in 2022. These conditions have facilitated the widespread diffusion of AI applications across various sectors of economic and social life. The effects have been particularly visible among knowledge workers in information technology, professional services, scientific research, education, and creative industries, where generative AI tools have been increasingly adopted since late 2022.

4.2 AI policy and job displacement in Vietnam

Due to this landscape, Vietnam's AI policy framework has gradually evolved over time. Its foundations were established through Resolution No. 52-NQ/TW (2019) on proactively participating in the Fourth Industrial Revolution and Decision No. 749/QĐ-TTg (2020) approving the National Digital Transformation Program, which identified AI as one of the strategic digital technologies supporting the development of a digital government, digital economy, and digital society. Subsequently, Decision No. 127/QĐ-TTg, issued on January 26, 2021, promulgated the National Strategy on Research, Development, and Application of Artificial Intelligence to 2030. This strategy established Vietnam's national AI development agenda, aiming to position the country as a regional center for AI innovation and development within ASEAN through investments in data infrastructure, high-quality human resources, and AI applications across socio-economic sectors.

The widespread emergence of Generative AI (GenAI) and large language models (LLMs) such as ChatGPT in 2022 further accelerated Vietnam's efforts to refine its AI policy and regulatory framework. The Communist Party and the Government of Vietnam recognized Generative AI as a strategic technology capable of advancing digital transformation, improving labor productivity, and strengthening national competitiveness. Government agencies, universities, and businesses began experimenting with and deploying GenAI in public administration, education, research, and service delivery. At the same time, policymakers also acknowledged new risks associated with GenAI, including misinformation, privacy violations, copyright infringement, academic misconduct, and the potential displacement of certain categories of knowledge workers.

As a result, AI was further integrated into Vietnam's broader national development strategy through Resolution No. 57-NQ/TW (2024) on breakthroughs in science and technology, innovation, and national digital transformation. During the process of drafting AI legislation, Vietnam actively studied and drew lessons from international AI governance models. In December 2025, the National Assembly passed the Artificial Intelligence Law, which officially came into effect on March 1, 2026. The legislation represents a significant milestone in the institutionalization of AI governance in Vietnam.

The Artificial Intelligence Law is designed as a framework law consisting of 34 articles that establish the fundamental principles and regulatory framework for AI governance, while technical details are delegated to subsequent governmental decrees and regulations to ensure flexibility in response to rapid technological change.

Overall, the law adopts a human-centered approach to the development and application of AI. Under this approach, AI is viewed as a tool for enhancing human decision-making, labor productivity, and governance effectiveness rather than replacing human beings entirely. The law emphasizes the central role of the state in directing, coordinating, and ensuring the infrastructure capacity necessary for national AI development. At the same time, it encourages businesses, research institutions, universities, and social organizations to invest in, develop, and share AI infrastructure while promoting public-private partnerships in AI development.

Vietnam has adopted a risk-based approach to AI governance. Rather than regulating AI models directly, the law focuses on AI outputs, patterns of use, and the social risks generated by AI systems. AI systems are categorized into three risk levels: low, medium, and high risk with corresponding regulatory requirements. The law also specifies prohibited AI-related activities to ensure a transparent, proportionate, and innovation-friendly regulatory framework.

-Policy implementation and the problem of job displacement

Since Vietnam's Artificial Intelligence Law only entered into force on March 1, 2026, it is still too early to comprehensively evaluate its implementation outcomes. Nevertheless, preliminary assessments can be made based on the [policies, programs, and initiatives](#) undertaken by the Party and the Government to promote AI adoption and digital transformation.

The impact of AI on Vietnam's labor market has been twofold, generating both new employment opportunities and potential risks of labor displacement. On the positive side, AI contributes to higher labor productivity, lower production costs, and accelerated digital transformation within businesses. Demand for professionals in data science, AI engineering, data analytics, cybersecurity, digital systems management, and other high-tech occupations has increased significantly. AI has also created new occupational categories related to AI model training, AI auditing and evaluation, data governance, and AI ethics oversight. For a developing economy such as Vietnam, AI is widely expected to enhance national competitiveness, attract technology investment, and stimulate the emergence of high-value industries.

At the same time, AI poses substantial challenges for the labor market. Jobs characterized by repetitive, standardized, or information-processing tasks face a greater risk of automation and workforce reductions. Nevertheless, public perceptions of AI in Vietnam remain relatively positive. Survey results indicate that approximately 36% of respondents believe AI will have positive impacts on their work, while only 16.6% express concerns about being replaced by AI technologies. Another noteworthy finding is that 80% of employees actively use AI tools in their daily work, with the majority doing so even in the absence of formal organizational guidelines or regulations.

AI may also contribute to greater labor market polarization. Workers with higher levels of education and stronger AI-related skills are more likely to benefit from productivity gains and increased earnings, whereas workers with low or medium skill levels face a greater risk of displacement. Consequently, disparities in income and employment opportunities may widen unless accompanied by policies focused on reskilling, upskilling, and workforce adaptation.

Overall, Vietnam's approach to AI governance reflects an effort to balance technological innovation with socio-economic stability. Rather than viewing AI solely as a source of labor displacement, policymakers generally frame it as a tool for economic development and productivity

enhancement while gradually introducing mechanisms to mitigate its potential negative consequences for workers and society.

4. Looking Through a Comparative Lens

In both Vietnam and the United States, AI technologies have increasingly been adopted in sectors such as information technology, professional services, media, education, and research, where tasks involving information processing, content generation, and data analysis are particularly susceptible to automation or augmentation.

However, the two countries differ significantly in their policy priorities and public discourse surrounding AI. Vietnam's AI strategy has largely framed artificial intelligence as a tool for accelerating digital transformation, improving labor productivity, reducing production costs, and enhancing national competitiveness. Consequently, Vietnamese policies have generally emphasized AI development, adoption, and innovation while addressing labor-related risks as a secondary concern.

In contrast, policy discussions in the United States have devoted greater attention to the potential effects of AI on employment among white-collar workers. While federal and state governments continue to support innovation, regulatory initiatives increasingly focus on workforce adaptation, worker protection, and the mitigation of AI-related labor disruptions. An example of this is California's Executive Order N-6-26 calls for a review of workforce and labor policies in response to potential AI-driven changes in employment.

These differences reflect broader contrasts in development priorities. As a developing economy, Vietnam generally views AI as an opportunity to enhance productivity and sustain economic growth. By contrast, the United States, with a more mature and highly automated economy, has placed greater emphasis on managing the social and labor-market consequences of rapid technological change.

5. Discussion

A question we need to ask is why Vietnam's workforce don't have strong resentment towards AI use like in the US? A possible answer is because Vietnam's AI adoption at this point is quite shallow. According to the AWS-Strand Partners study *Unlocking Vietnam's AI Potential*, which surveyed 1,000 business leaders and 1,000 members of the public, for Vietnamese companies that adopted AI, most of them only utilize the technology for basic purposes such as streamlining process rather than making AI the core of their products or business decisions. Vietnam's AI ecosystem is concentrated among a relatively small number of firms such as VinAI, Viettel AI, and FPT AI. In comparison, the United States hosts approximately 30,000 AI companies and remains the global leader in AI entrepreneurship, private investment, and foundation-model development.

In the future, with the possible rise of AI-native enterprises in Vietnam, the government will need to pay more attention to transitioning its workforce. Perhaps, it can look at California's Executive Order N-6-26 as a framework to model.

6. Conclusion

This study compared AI governance and labor-market adaptation policies in Vietnam and the United States. While both countries recognize the economic potential of artificial intelligence, their policy priorities differ significantly. Vietnam primarily views AI as a driver of digital transformation, productivity growth, and national competitiveness, whereas the United States has devoted greater attention to the potential labor-market consequences of AI adoption.

The findings suggest that AI-driven job displacement remains relatively limited in Vietnam compared with the United States. One explanation is that most Vietnamese firms currently use AI to support existing operations rather than making AI the core of their business models. Consequently, Vietnamese workers often perceive AI as a productivity-enhancing tool rather than a direct threat to employment.

However, this situation may change as AI adoption deepens and AI-native enterprises emerge. To ensure that the benefits of AI are broadly shared, Vietnam may need to strengthen workforce-transition policies, invest in reskilling and upskilling programs, and develop mechanisms to support workers whose occupations become increasingly vulnerable to automation.

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