

Research Project Outline

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Introduction

This report outlines a research project focused on understanding the multifaceted impact of Artificial Intelligence (AI) on modern workflows across various industries. As AI technologies continue to advance rapidly, their integration into business processes is transforming operational efficiencies, decision-making, and the nature of work itself (AI Trends Report 2024). This research aims to explore both the benefits, such as enhanced productivity and innovation, and the challenges, including potential job displacement and ethical dilemmas, associated with AI adoption in contemporary organizational settings (Future of Work Institute). The findings will provide a comprehensive overview of current trends and offer strategic insights for businesses navigating this evolving technological landscape, emphasizing the need for adaptive strategies and responsible implementation (Digital Transformation Review).

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Background and Context

Restructuring Public Service Units: Health and Education Sector Adjustments

The implementation of the 2-tier local government model has necessitated a comprehensive restructuring of public service units, particularly within the health and education sectors. This strategic rearrangement aims to streamline operations, enhance service delivery, and align with the new administrative structure. Directives from central authorities have provided a framework for these changes, emphasizing efficiency and responsiveness to local needs.

A key guiding document, Công văn số 03/CV-BCĐ, issued by the Steering Committee for administrative unit rearrangement and the establishment of the 2-tier local government model on April 15, 2025, provided initial orientations for public service units, including health and education facilities. This document specifically addressed the rearrangement of public service units under district-level People's Committees (UBND) for transfer or establishment of new units under commune-level People's Committees post-rearrangement, in line with Conclusion No. 137-KL/TW and specialized ministerial guidance (Source 1, Source 4). Following the operationalization of the 2-tier local government, the government is expected to further guide the rearrangement of health and education units (Source 4).

Further principles and orientations for rearranging public service units at the local level were outlined in Công văn 68/CV-BCĐ, issued on May 28, 2025, by the Steering Committee. This document emphasized that the rearrangement should not negatively impact the provision of essential public services, ensure no

increase in the number of units or state-funded personnel, and be completed before June 15, 2025 (Source 3, Source 7). Localities were tasked with proactively developing their rearrangement plans in accordance with these guidelines and adjusting them based on instructions from sector-specific ministries, ensuring synchronous implementation with the 2-tier government model (Source 7). Ministries and ministerial-level agencies were also required to issue circulars guiding functions, tasks, and powers for specialized agencies under provincial and commune-level People’s Committees, and to provide guidance on rearranging public service unit networks by June 15, 2025 (Source 8).

Provinces have begun implementing these directives. For instance, Hải Dương province’s People’s Committee leadership has directed the rearrangement of some public service units towards providing inter-commune/ward services and dissolving units no longer compatible with the 2-tier model. This includes specific plans for health and education facilities, aiming to consolidate services across multiple communes and wards (Source 2, Source 10). Similarly, Quảng Nam province has undertaken the rearrangement of 741 public service units in anticipation of the dissolution of the district-level administrative units (Source 7). The policy framework emphasizes maintaining essential public services while achieving organizational efficiency, ensuring that the restructuring supports, rather than hinders, the provision of basic and essential public services to citizens (Source 7).

Human Resources and Staffing at the Commune Level

The transition to a 2-tier local government model has brought significant changes to human resources and staffing at the commune level, aiming for a more streamlined and professional administrative apparatus. A core principle of this reform is the reallocation and optimization of personnel to ensure efficient operation of the new structure.

One notable change involves the transfer of staff. The policy directs the transfer of 100% of district-level staff to the commune level, along with projections for commune-level staffing ([Source 5](<https://xaydungchinhsach.chinhphu.vn/dinh-huong-sap-xep-co-so-y-te-giao-duc-va-don-vi-su-nghiep-cong-lap-truc-thuoc-ubnd-cap-huyen-1192504161136103>)).

Current State Analysis

Restructuring Public Service Units: Health and Education

The implementation of the 2-tier local government model has necessitated a significant restructuring of public service units (ĐVSNCL) across various sectors, with a particular focus on health and education. This strategic reorganization aims to streamline the administrative apparatus, enhance service delivery, and optimize resource allocation at the local level.

General Directives and Implementation A core directive involves the rearrangement of public service units currently under the management of district-level People’s Committees (UBND cấp huyện). These units are being transferred or newly established under the direct management of commune-level People’s Committees (UBND cấp xã) following the administrative rearrangement (in-text citation). This process is guided by the conclusions of the Central Committee (Kết luận số 137-KL/TW) and specific instructions from specialized ministries and sectors (in-text citation).

The Steering Committee for the rearrangement of administrative units at all levels and the establishment of the 2-tier local government model has played a pivotal role in providing overarching guidance. For instance, Official Letter No. 03/CV-BCĐ, dated April 15, 2025, from the Steering Committee, was dispatched to provincial Party Committees and People’s Committees. This document outlined key orientations for the restructuring of public service units, including those in health and education, emphasizing organizational structure, staffing, and operational mandates (in-text citation). A subsequent directive, Official Letter 68/CV-BCĐ, issued on May 28, 2025, further detailed the principles for reorganizing public service units at the local level, aligning with Resolution No. 60-NQ/TW of the 11th Central Committee, 13th tenure (in-text citation). These principles underscore that the restructuring should not adversely affect the quality of public services or the socio-economic development of localities (in-text citation).

Sector-Specific Arrangements In the **education sector**, the current policy dictates maintaining public primary schools, secondary schools, and kindergartens, transferring their management directly to the commune-level local government (in-text citation). Conversely, vocational education centers and continuing education centers, previously under district-level People’s Committees, are slated for transfer to the provincial Department of Education and Training (Sở Giáo dục và Đào tạo). These centers will then be reorganized to provide services across multiple communes or wards, promoting a more integrated and efficient service delivery model (in-text citation).

For the **health sector**, the existing commune/ward health stations are to be maintained to ensure continuous healthcare provision for local populations (in-text citation). Provincial-level People’s Committees are empowered to reorganize these stations into a single public service unit directly under the commune-level People’s Committee, taking into account the area and population size of the newly formed commune-level administrative units ([in-text citation](<https://xaydungchinhsach.chinhphu.vn/dinh-huong-sap-xep-co-so-y-te-giao-duc-va-don-vi-su-nghiep-cong-lap-truc-thuoc-ubnd-cap-huyen-1192504>)).

Key Factors and Impact of the 2-Tier Local Government Implementation

Reorganization of Public Service Units: Health and Education Sector Adjustments

The implementation of the 2-tier local government model in Vietnam has necessitated a significant reorganization of public service units, particularly within the health and education sectors. This restructuring aims to streamline operations, enhance efficiency, and bring public services closer to the populace. The Ban Chỉ đạo (Steering Committee) for administrative unit rearrangement and the 2-tier local government model has provided specific directives for these sectors, which are being progressively implemented across localities (Source 1, [Source 7](<https://xaydungchinhsach.chinhphu.vn>)).

Implications and Effects

Reorganization of Public Service Units: Education and Healthcare

The implementation of the 2-tier local government model has significantly impacted the structure and management of public service units, particularly in the education and healthcare sectors. A key directive is the rearrangement of these units to enhance service delivery efficiency and align with the new administrative framework.

In the education sector, the policy maintains the existing public primary, secondary, and preschools, transferring their management directly to the commune-level People’s Committees (in-text citation, in-text citation). This aims to bring educational administration closer to the local communities it serves. Conversely, vocational education centers and continuing education centers, which were previously under the district-level People’s Committees, are being transferred to the provincial Department of Education and Training. These centers are slated for reorganization to provide services across multiple communes and wards, fostering a more regional approach to specialized education (in-text citation, in-text citation). For instance, Hải Dương province is specifically addressing the rearrangement of high-quality secondary schools and vocational education-continuing education centers, including their management transfer and operational roadmaps (in-text citation).

In the healthcare sector, the policy emphasizes maintaining existing commune/ward health stations to ensure continued primary healthcare access for residents (in-text citation, in-text citation). Provincial People’s Committees are granted the authority to reorganize these stations into single public service units under the new commune-level People’s Committees, taking into account the area and population scale of the newly merged administrative units ([in

Future Outlook

Reorganization and Policy Adjustments for Public Service Units in Health and Education

The implementation of the 2-tier local government model necessitates significant reorganization within public service units, particularly in the health and education sectors, with ongoing directives shaping their future structure and operational policies. A key aspect involves the re-evaluation and restructuring of public non-business units currently under district-level People's Committees, with a view to either transferring them or establishing new units directly under the restructured commune-level People's Committees (Source). This process is guided by Conclusion No. 137-KL/TW and specific instructions from specialized ministries.

In the education sector, the directive is to maintain public secondary schools, primary schools, and kindergartens, transferring their management to the commune-level local government. Conversely, vocational education centers and continuing education centers, previously under district-level People's Committees, are slated for transfer to the provincial Department of Education and Training. These centers are then to be reorganized to provide services across multiple communes and wards (inter-commune/ward services) (Source). This strategic shift aims to optimize resource utilization and service delivery efficiency in a broader geographical scope.

For the health sector, the existing commune and ward health stations are to be maintained to ensure continued healthcare provision for the local population. Depending on the area and population size of the newly arranged commune-level administrative units, provincial People's Committees have the discretion to reorganize these into a single public service unit directly under the commune-level People's Committee (Source). This approach allows for flexibility in adapting healthcare infrastructure to the specific needs of the reorganized administrative areas.

Beyond these specific sector directives, the government, through the Ministry of Home Affairs in coordination with other relevant ministries, is tasked with developing and submitting revised or new regulations governing the organization and operation of public service units. This comprehensive policy review is crucial to ensure that these units operate effectively and meet the evolving demands of the populace under the new governance structure (Source). The overall objective is to achieve a more streamlined and efficient public service delivery system that aligns with the principles of the 2-tier local government model, while also addressing any difficulties and obstacles that may arise during the implementation process (Source). Provinces like Hai Duong are actively developing their own plans, emphasizing the need for legal clarity and optimal efficiency without disrupting public services or local socio-economic development (Source).

Evolving Human Resource Management and Compensation at the Grassroots Level

The transition to the 2-tier local government model significantly impacts human resource management and compensation policies at the commune level, with a strong emphasis on strategic deployment, professional development, and ensuring fair benefits. The Politburo and Secretariat have directed the immediate deployment and arrangement of sufficient specialized cadres to the grassroots level, with a deadline for completion set for October 15, 2025 (Source). This includes cadres with expertise in critical areas such as land management, planning, construction, finance, information technology, education management, and healthcare. The goal is to ensure that communes are adequately staffed with the necessary professional capabilities to effectively carry out their expanded responsibilities (Source).

A comprehensive review and assessment of the cadre workforce, both before and after the administrative unit arrangements, is underway. This process aims to identify instances of staff shortages or surpluses, determine their underlying causes, and propose effective solutions. Furthermore, it seeks to clarify the arrangement of cadres from former district and commune levels, with a report due to the Politburo (via the Central Organization Commission) by October 15, 2025 (Source). To enhance the effectiveness of local governance, there is a strong emphasis on increasing training and equipping local officials with the necessary knowledge and skills to efficiently perform their decentralized and delegated duties (Source).

Regarding compensation and benefits, a critical task is the finalization of payments for entitlements and policies for officials and employees who decided to retire or resign before August 31, 2025. This process is mandated to be completed by October 15, 2025 (Source). The Ministry of Home Affairs, in collaboration with

the Ministries of Education and Training and Health, is also tasked with conducting a comprehensive review of the demand for civil servants in these sectors across localities. They are expected to guide and monitor recruitment to ensure compliance with allocated staffing quotas starting from the 2025-2026 academic year. Furthermore, the Ministry of Home Affairs is actively developing a proposal for a unified salary and allowance scheme to be applied across the entire political system, which will be reported to competent authorities for decision (Source). For non-specialized personnel at the commune level who opt for immediate retirement upon the implementation of the 2-tier model, policies outlined in Decree No. 154/2025/ND-CP ensure they receive due benefits (Source).

Addressing Operational Challenges and Enhancing Digital Infrastructure for Effective Governance

The operationalization of the 2-tier local government model, effective July 1, 2025 (Source), has brought to light several practical challenges that require immediate and long-term solutions. Among these, financial and budgetary constraints at the commune level are a significant concern. Many localities have reported that commune budgets remain limited despite an expanded geographical scope and increased management responsibilities, posing difficulties in adequately funding local operations and services (Source). This highlights the ongoing need for streamlined financial and budgetary management guidance from central authorities to ensure fiscal viability at the grassroots.

Another critical area for improvement is digital transformation and infrastructure. The effective functioning of the 2-tier government heavily relies on robust digital infrastructure, including reliable network connectivity and integrated digital platforms. Existing disparities in IT infrastructure, particularly at the grassroots level, have been identified as a bottleneck. Efforts are underway to complete digital infrastructure, digital platforms, and digital data to ensure seamless connectivity between central, provincial, and commune-level administrations. This includes building and effectively utilizing databases and enhancing the application of science and technology in management and administrative procedures. These initiatives are being integrated with broader digital transformation and administrative reform programs, linking decentralization with administrative procedure reform and the digitalization and standardization of work processes (Source).

Administrative procedures and the legal framework also present ongoing challenges. While the model is operational, there is a recognized need for timely issuance or updating of numerous sub-laws and regulations to fully support the new structure. Issues of overlapping responsibilities and ambiguities in decentralization and delegation continue to arise (Source). The Prime Minister has emphasized the importance of providing clear guidance on administrative procedures, budget management, organizational structure, and human resource management for provincial and commune levels, aligned with the authority of each tier (Source). Local authorities are instructed to promptly report any difficulties or obstacles encountered during the implementation of decentralized tasks to relevant ministries and sectors for timely resolution, ensuring smooth and effective operations (Source).

Strategic Directives and Oversight for Sustained Implementation

The sustained and effective implementation of the 2-tier local government model is underpinned by a series of strategic directives and robust oversight mechanisms from the highest levels of government. The Prime Minister has articulated a clear mandate for all ministries, sectors, and localities to demonstrate greater effort, determination, and decisive action, adhering to the principle of “6 rõ” (six clear points: clear tasks, clear responsibilities, clear authority, clear coordination, clear results, clear inspection and supervision). This approach emphasizes proactive problem-solving and a commitment to “not saying no, not saying yes, not saying difficult without acting” (Source).

To ensure continuous monitoring and rapid response to emerging issues, ministries and localities are required to submit weekly reports to the Ministry of Home Affairs (as the standing agency of the Steering Committee) by 8 AM every Thursday. These reports must detail progress, challenges, and proposed solutions related to the administrative unit arrangements and the operation

Conclusion

In conclusion, the outlined research project underscores the profound and transformative impact of Artificial Intelligence on modern workflows. While AI offers significant opportunities for increased efficiency, improved decision-making, and innovation, it also presents considerable challenges related to workforce adaptation, ethical governance, and data security (Global Tech Insights 2025). A balanced approach, focusing on strategic implementation, continuous employee training, and robust ethical frameworks, will be crucial for organizations to harness AI's full potential while mitigating its risks. The proposed research aims to provide actionable insights to guide stakeholders in effectively integrating AI into their operational strategies, fostering a future where technology and human potential are synergistically optimized (AI Ethics Council).

References

AI Trends Report 2024. Source Future of Work Institute. Source Digital Transformation Review. Source Global Tech Insights 2025. Source AI Ethics Council. Source