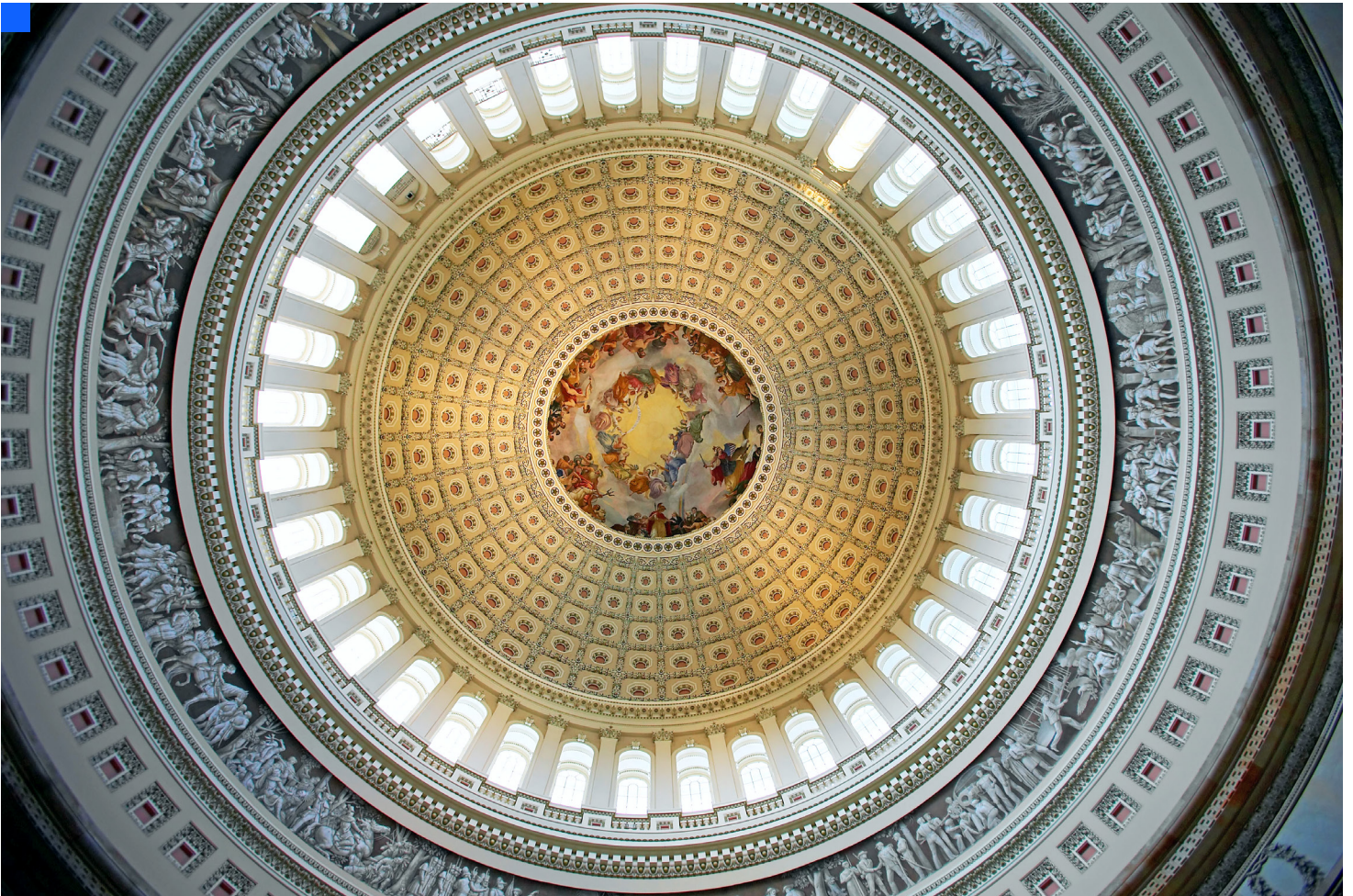


How governments can  
drive value—carefully—with AI





“There’s a higher barrier to entry for adopting a new technology in government, and a higher standard for proper behavior.”

**Kee Won Song**

Global Lead, Government Research  
IBM Institute for Business Value

Government organizations serve a broad variety of functions, but they’re united in the goal of providing for the well-being of their citizens—and doing so in a uniquely complex operational environment. In today’s rapidly changing world, governments worldwide are tasked with modernizing technology, updating existing infrastructure, improving operating systems and enhancing citizen interactions to provide levels of efficiency and customer service akin to those of private-sector companies. They must accomplish all of this while also meeting high standards for security, ethics, privacy and responsiveness, particularly in times of crisis. And the biggest challenge of all is that crises are no longer rare occurrences—they’re becoming the norm.

For the past few years, government experts at the IBM Institute for Business Value have been studying what they call “[future shocks](#),” disruptive events that occur with increasing frequency. These shocks can include pandemics, extreme weather, geopolitical conflict and bank failures—all of which have made headlines worldwide in the past few months alone.

[Seven bets](#), a new report from the Institute for Business Value, explores new opportunities for organizations to drive success and address pressing challenges—drawing on real-world experience and in-depth research, and centered on a core belief that businesses need an optimistic vision of progress and leaders who are willing to bet on the future. The report identifies the seven trends expected to shape the world in the next three years, and the bets that enterprises, including governmental agencies, should make to benefit from those trends.

Several of the trends—and bets—in the new report are focused on generative AI. Institute for Business Value experts consider the emergence of this new technology to be [a type of future shock](#), one that David Zaharchuk, Research Director at the Institute for Business Value, says “provides both tremendous opportunity and risk” for government organizations and society in general.

Generative AI could be a large-scale disruption that demands a response—characteristic of all shocks, from pandemics to wildfires. But this new technology also has significant potential to modernize and transform governmental organizations. As a result, governments need to respond on two levels: understanding how they should use the technologies to strengthen their own operations, while at the same time creating governance structures to ensure ethical use.

Zaharchuk and Kee Won Song, Institute for Business Value Global Lead for Government Research, identify two bets as the most critical for government organizations as they navigate this perspective on generative AI.



## The bet: Implement secure, AI-first intelligent workflows to run the enterprise

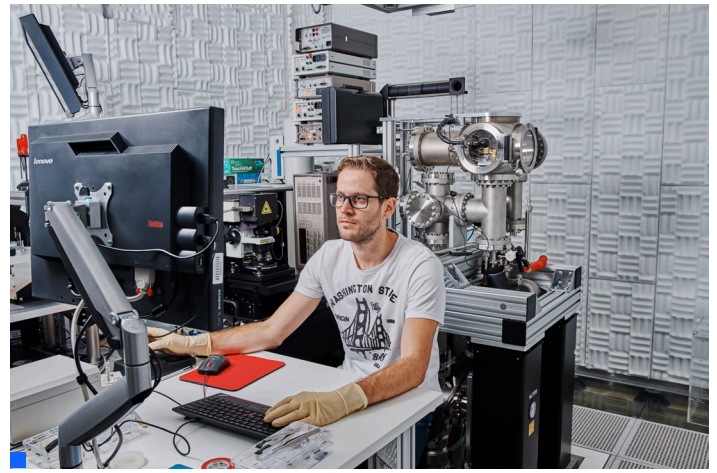
Governments are unlikely to be the first to adopt new technologies because of the inherent risks that may be involved, but government organizations still need to lead by example in the ways they evaluate risk and deploy AI technologies. “There’s a higher barrier to entry for adopting a new technology in government, and a higher standard for proper behavior,” Song says.

One of generative AI’s greatest risks is the ability to generate and disseminate false but authentic-seeming content at a high speed. As Song puts it, “This could put misinformation campaigns on steroids” and potentially distort democratic processes. Any missteps governments make with establishing guardrails for this new technology could erode public confidence at a time when trust in government is declining around the world.

But Zaharchuk and Song see the potential for governments to use generative AI to provide a better citizen experience. “There is significant opportunity for providing greater simplicity and transparency into how government actually works,” Zaharchuk says. “That use case itself is incredibly valuable.” This technology can be especially impactful at local levels of government, where organizations have direct interaction with citizens. Zaharchuk also points out the potential for AI to assist in translation services and help people navigate complicated government processes. Similarly, AI can aid small-business owners in understanding the intricacies of local policies and regulations. “Generative AI can potentially help governments better communicate policies, and it can help individuals self-service and find answers to their questions,” he says.

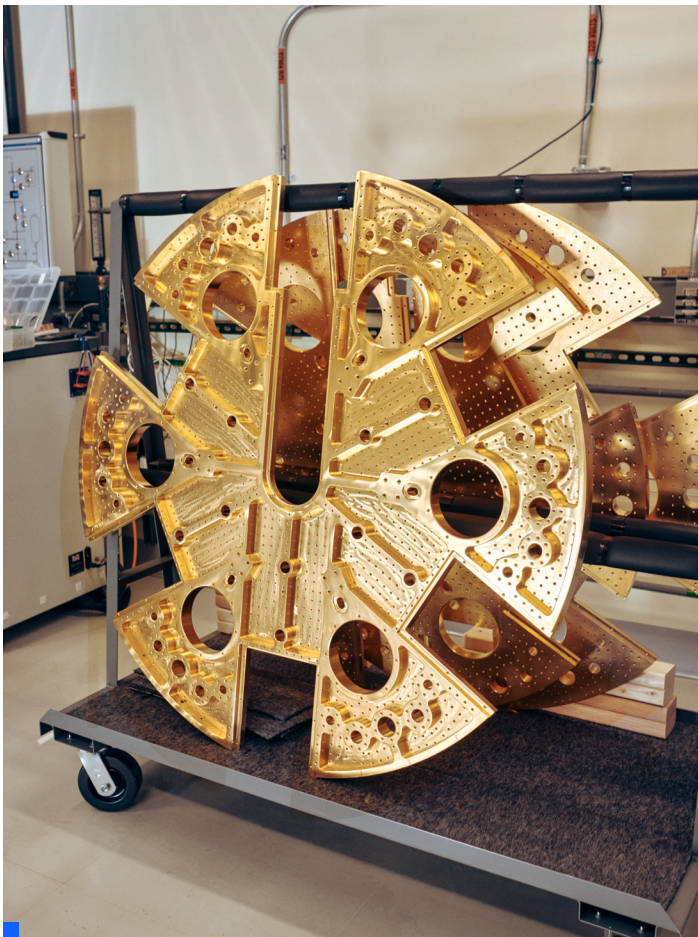
Zaharchuk sees this application of generative AI as an opportunity for governments to open a dialogue with the public about AI in general and bring balance to a conversation that has often been dominated by less authoritative sources. “Start with simple use cases to build trust, understand how it works, facilitate a conversation around the implications and help the public be more informed,” he says.

Read more: [Implement secure, AI-first intelligent workflows to run the enterprise](#)



**“Generative AI can help governments better communicate policies, and it can help individuals self-service and find answers to their questions.”**

**David Zaharchuk**  
Research Director  
IBM Institute for Business Value



## The bet: Simplify, digitize and partner to build a resilient enterprise

According to [Seven bets](#), enterprises need to simplify operating models and automate management systems, not only for efficiency, but also to help focus the workforce on the most critical skills and tasks. For governments, using AI to automate and simplify processes can maximize the efficacy of their workforce. If generative AI can help people find answers to questions on their own, government workers can focus their time on improving policies rather than explaining them. More broadly, generative AI can extend the capacity of government employees to respond rapidly and communicate effectively with citizens, particularly in times of crisis—such as additional future shocks.

At the same time, the ability to govern and regulate these rapidly evolving technologies, in an environment of international uncertainty and intense competition, is one of the most pressing issues for governments. [According to the IBM Policy Lab](#), it's imperative for governments to advance innovation, cybersecurity and societal trust in technology that can help meet today's challenges.

Global partnership is key to addressing these objectives. “We learned in the pandemic that coordination between countries is critical, and the challenges with generative AI are similar,” Song says. To respond effectively to both the risks and opportunities, he adds, governments need to cooperate and “understand the realities of the interconnectedness of our societies.”

Read more: [Simplify, digitize and partner to build a resilient enterprise](#)

Generative AI is a shock that brings the possibility of positive transformation, government modernization and the enhancement of many outdated workflows, ultimately bringing the government closer to constituents and ushering in a new era of technological innovation. The current moment presents an opportunity for governments to not only regulate and react but to help protect constituents from the potential risks and to help enable both the public and private sectors to take advantage of the powerful potential of this technologies as a force for good.

*To learn more about the global trends that will shape government over the next three years—and the ways government organizations can benefit from those trends—read [the IBM Institute for Business Value report Seven bets](#).*

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