

# Will government shape AI's future – or will AI shape government?

Four scenarios for 2030

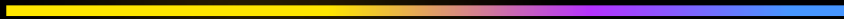


Shape the future  
with confidence



The better the question. The better the answer. The better the world works.

# Table of contents



## Interactive PDF

This is an interactive PDF that is best viewed on a computer with Acrobat Reader installed. Mobile devices do not support interactivity.



# Introduction

*\*\*This publication is intended to stimulate discussion and explore possible future states for the use of artificial intelligence (AI) in government.*

*The scenarios described are illustrative in nature and do not constitute policy recommendations. Ernst & Young LLP (EY US) offers this perspective to support dialogue among leaders as they consider the opportunities and challenges ahead.*

**From Washington, DC to state capitals and city halls, a new question is emerging: As AI grows more capable, how do governments control their destiny in an AI-driven world?**

[A recent EY framework](#) outlines four divergent futures for AI's role in society by 2030 – ranging from steady Growth to transformative (Transform) change, from cautious Constraint to monopolistic Collapse.

Each scenario is a strategic “what-if,” not a prediction. For federal, state and local governments, these futures are practical lenses to stress-test plans: where might AI expand public capacity, and where might it erode trust or transparency? The point is not to guess the future, but to improve today's decisions.

The current public policy debate on AI regulation makes these decisions even more critical. Policymakers at all levels are finding ways to promote, leverage and shape AI technology, while ensuring our country's dominance on the global stage. Some of these new rules could drastically change the US AI landscape. Leadership decisions today need to be future-proofed for new and unexpected policies on privacy, cybersecurity, workforce and many other topics.

With an eye toward real-world governance, we explore each future and what it could mean for the public sector – from procurement to service delivery, public safety, cybersecurity and the workforce. Each scenario includes implications and practical moves leaders can make now to increase resilience – no matter which future arrives.

# Scenario 1: Growth the slow and steady AI revolution

**AI adoption grows steadily and responsibly. The opportunity is compounding gains in service delivery and operations; the risk is complacency – governance and capability-building must keep pace.**

In this future, AI advances steadily without seismic shocks. By 2030, it's the workhorse of public administration: a county office clears permit backlogs overnight; a state Department of Transportation (DOT) optimizes signals and maintenance schedules using predictive analytics; a school district uses AI to triage helpdesk and staffing needs; the military seamlessly fields and updates assets to the edge; federal auditors surface anomalies in benefits and procurement claims. AI is widespread, but largely incremental – more modernization than upheaval.

## Scenario 1: Growth


Click on the arrows to read more



Public services and infrastructure



National security and defense



Economic planning and labor

# The slow and steady AI revolution

---

## Proactive leadership (next steps)

In a Growth future, the priority is compounding benefits without inadvertently creating risk. Invest in shared digital infrastructure, update procurement and vendor-management practices, and operationalize AI governance (standards, auditing, incident response). Build in-house capability so agencies can deploy and supervise systems – not just buy them. Use today's stability to establish guardrails and readiness for more disruptive futures.

# Scenario 2: Transform

## the dawn of artificial general intelligence (AGI) and reinvented government

**Rapid adoption of AI technology accelerates transformation. The upside is breakthroughs and radically improved public capacity; the downside is speed – governance, safety and economic resilience become urgent.**

This scenario imagines a step-change in capability by 2030, with systems approaching general-purpose reasoning moving from labs into daily operations. Many departments rely on advanced AI assistants for analysis, drafting and decision support. Scientific progress accelerates, public services modernize quickly and organizations retool at unprecedented speed. But the same velocity strains institutions, oversight and public trust.

## Scenario 2: Transform

Click on the arrows to read more



# The dawn of AGI and reinvented government

---

## Proactive leadership (next steps)

In a Transform future, speed is the threat vector. Agencies should build safety and continuity into adoption: independent evaluation of high-capability systems, robust fallback processes and clear accountability for outcomes. Pair modernization with economic resilience planning so benefits are broadly shared rather than destabilizing.

# Scenario 3: Constraint

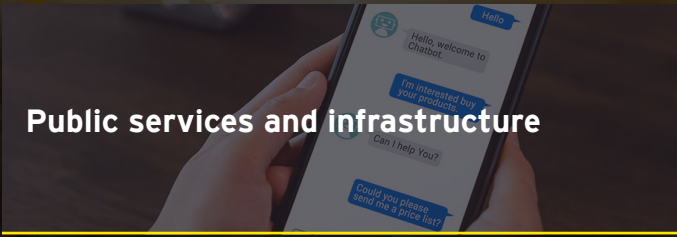
## reining in AI amid public outcry

**Public trust breaks after failures, and regulation tightens. The goal becomes safety and accountability – even at the cost of slower innovation and adoption.**


In this future, enthusiasm hits hard limits. After high-profile failures and scandals in the late 2020s – market disruptions, safety incidents and harmful errors in high-stakes settings – public trust erodes. Pressure builds for accountability and stricter rules, slower deployments and higher proof requirements. AI continues, but on a shorter leash.

## Scenario 3: Constraint

Click on the arrows to read more



Public services and infrastructure



National security and defense



Economic planning and labor

# Reining in AI amid public outcry

---

## Proactive leadership (next steps)

Build governance before a crisis forces it: clear ethics standards, mandatory testing for high-risk use, audit trails and incident reporting. Create citizen-facing transparency (registries, explanations, appeal paths) so trust can be rebuilt. Coordinate across jurisdictions so constraints are consistent enough to implement and enforce.

# Scenario 4: Collapse

## the AI monopoly and the state's dilemma

**A dominant AI platform concentrates power and creates systemic dependency. Government's challenge shifts from "adopt AI" to "restore competition, resilience and democratic control."**

By 2030, AI reshapes not only services but power. A single platform – or a tight oligopoly – controls critical models and infrastructure used across the economy and in government operations. The advantage compounds through scale, compute and data, driving consolidation. Public institutions face an uncomfortable reality: essential digital capacity increasingly sits with an actor they do not control and exiting becomes costly.

## Scenario 4: Collapse

Click on the arrows to read more



# The AI monopoly and the state's dilemma

---

## **Proactive leadership (next steps)**

The best chance to avoid Collapse is earlier market-shaping.

Require interoperability and portability and also invest in public-interest alternatives (shared services, open standards and R&D). Reduce vendor dependence by building technical capacity inside government and embedding exit options into contracts.

# Conclusion

---

## **Navigating the futures: government's role in shaping what comes next**

These four future scenarios – Growth, Transform, Constraint and Collapse – paint very different worlds by 2030, but they share one message: public institutions are not spectators. Whether AI advances steadily or rapidly, is constrained after failures or consolidates into monopoly power, agencies will be forced to respond. The advantage goes to leaders who prepare for multiple futures and build capabilities that hold up across all of them.

Select each box to learn more

The views expressed by the author(s) are not necessarily those of Ernst & Young LLP or other members of the global EY organization.

## **EY | Building a better working world**

**EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.**

**Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.**

**EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.**

**All in to shape the future with confidence.**

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

The views reflected in this article are those of the author and do not necessarily reflect the views of Ernst & Young LLP or other members of the global EY organization.

© 2026 Ernst & Young LLP  
All Rights Reserved.

2506-12158-CS | US SCORE No. 30729-261US

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

[ey.com](https://ey.com)