DECEMBER 2025

JARED WRIGHT
ELENI ARZOGLOU
GRAHAM DRAKE
ALEXANDER IOSAD

The US AI Opportunity: Global Leadership Starts at Home

TONY BLAIR
INSTITUTE FOR
GLOBAL CHANGE

Contents

Contributors: Harry Summers, Keegan McBride

Executive Summary

Artificial intelligence is rapidly evolving into a core driver of economic competitiveness, national security and state resilience. This has triggered a global race for the capabilities and resources that underpin deployment – from semiconductors to data centres and energy. For political leaders, the shift is forcing a fundamental rethink of what sovereignty means in the age of AI.

In July 2025, the United States released America's AI Action Plan, the most ambitious federal blueprint on AI yet. Built around three pillars – accelerating innovation, building AI infrastructure and advancing a global AI agenda – it establishes a strong foundation for the US to set global AI standards, reap economic benefits and strengthen its geopolitical position. It sets the terms for US leadership abroad.

Articulating a strong vision for the way in which technology can transform government at home would bolster that quest for leadership even further, by demonstrating to the world what embracing AI to deliver for people looks like.

The opportunity is historic. AI offers the chance not simply to digitalise 20th-century bureaucracy, but to create a 21st-century model of governance – always on, personalised, preventative and data-driven.

As the Tony Blair Institute for Global Change (TBI) has described in *Governing in the Age of AI: A New Model to Transform the State*, AI can deliver major improvements in public services across three core areas: people-facing services, back-office efficiency, and strategic decision-making and policy development. Many countries, including the United Kingdom, are on a path to secure a first-mover advantage in using AI to transform the way government works.

By further advancing the application of AI in government at home, the US can strengthen its leadership abroad and set a global example of effective AI-enabled governance.

Systemic reform would require investment in four essential building blocks of an AI-ready government:

- **People.** Recruit and retain top talent while training the wider civil service to use AI in daily work.
- **Data and compute.** Build modern, secure, interoperable infrastructure to ensure AI can operate effectively and at scale.
- **Policy and regulation.** Develop frameworks that safeguard trust while enabling adoption and setting democratic standards globally.
- **Procurement and partnerships.** Create agile pathways that connect government with innovation from both startups and established firms.

These building blocks are not ends in themselves, but the foundations of a government fit for the AI era – one that is capable of meeting rising expectations and seizing the opportunities ahead. Together, they create the conditions for a 2030 vision of an AI-era operating model that could deliver a radically improved public sector in which:

- Every person has a Digital Public Assistant to simplify access, ensure transparency and personalise services.
- Every official works with AI co-workers (known as a Multidisciplinary AI Support Team, or MAST) that automate repetitive tasks, support decisions and amplify productivity.
- Every policymaker engages with a National Policy Twin (a dynamic model that integrates real-time data and evidence to support policymaking) to test options, model risks and coordinate action.
- Every institution draws on a National Data Spine that connects data securely across the system.

This model does not replace institutions but equips them to work better. The Digital Public Assistant redefines the citizen-state relationship, giving people greater power and choice; MAST transforms how government work gets done; the National Policy Twin enhances decision-making; and the National Data Spine connects it all. Collectively these elements form the operating system of a modern state, representing a shift from incremental reform to genuine transformation.

US global leadership in AI would be strengthened by demonstrating a credible blueprint for transformation at home, and by showing in practice what it means to modernise institutions, reform systems and build a model of governance fit for the AI era.

01

Building Global Influence Through Domestic Transformation

Technology – and AI in particular – is reshaping geopolitics. AI is not just another emerging technology, but a defining capability that will determine economic strength, national security, public-service performance and resilience. Countries are racing to build faster models, secure chip and compute supply chains, and expand the infrastructure needed for advanced systems. Data centres, semiconductors and energy capacity are the engines of this new era, carrying the same strategic weight as railways and electrical grids in past industrial revolutions.

For governments worldwide, including the US, leadership in AI depends on control of critical technologies and the infrastructure to power them. It is also about setting standards, reducing reliance on other countries and projecting influence. In this sense, choices made today on investment, regulation and alliances will decide not only competitiveness but how much technological sovereignty – the capacity to develop and deploy AI on national terms – a country retains in the decades ahead.

It is in this context that America's AI Action Plan, released in July 2025, sets out the administration's priorities: accelerating innovation, expanding infrastructure and asserting leadership in international AI governance.[1] The plan reflects strong outward ambition on innovation and global leadership, while also revealing an opportunity to define an ambitious domestic vision for how AI can transform government itself.

While the plan acknowledges the opportunity for the domestic application of AI, there is scope to go further by articulating a clear vision for how AI can reshape government, making full use of the large AI ecosystem the action plan is designed to support.

Reimagining the state, a framework for technology-enabled modern governance that TBI has explored across multiple papers, means overhauling outdated systems and building a culture of innovation so

government can be more agile, adaptive and globally competitive in the AI era. It goes beyond simply putting existing services online. It means rethinking the systems, institutions and infrastructure that underpin government itself to create a state that better serves people and rebuilds public trust.

In such a vision, new technologies would allow the state to drive genuine transformation in how government works and delivers for people. Establishing a strong domestic model would, in turn, amplify US geopolitical leadership by demonstrating in practice what effective, responsible, rapid AI adoption looks like. Influence abroad begins with leading by example – and that includes demonstrating what works at home.

For the US, this is a historic chance to lead globally while reinventing government at home: reshaping policymaking, service delivery and data usage, partnering with innovators, and equipping the workforce with new tools and skills from Washington to embassies worldwide. Seizing this opportunity will require clear priorities and aligned institutions that move beyond pilots to system-wide change. The executive level is a natural starting point for this transformation, but the possibilities extend across every area of government – federal, state and local.

02

America's AI Action Plan: A Strong Statement of Intent

On 23 July 2025, the US administration released its long-awaited AI action plan – the first major AI directive of the current administration and arguably the most substantial piece of guidance on AI issued by any US administration. With over 10,000 comments from big tech companies, academics, policy organisations and members of the public, the development process for the plan was robust.

The plan comprises more than 90 different directives built around the ambition of securing US leadership in AI. It outlines the federal government's core objectives and guiding principles for AI in the coming years. These directives are organised around three central pillars:

- **Accelerate innovation** by cutting regulatory bottlenecks and expanding access to open-source AI, so experimentation and deployment can happen faster across sectors.
- **Build US AI infrastructure** through investment in data centres, energy capacity and a skilled workforce capable of supporting the next generation of advanced computing.
- **Advance a global AI agenda** that positions the US as a standard-setter in diplomacy, export controls and international governance, ensuring that US values and interests shape how these technologies develop.

There is no doubt that the plan represents an important step forward in advancing US leadership and competitiveness in the global AI race. It establishes strong momentum on innovation and global competitiveness.

Building on this, robust guidance and practical actions aimed at developing an AI-era model of government for the US would help reimagine how policy is made, services are delivered and institutions are organised. Expanding the domestic-transformation agenda alongside the plan's focus on ecosystem-building and global influence would deepen its overall impact, matching innovation abroad with modernisation at home.

The plan already includes actions aimed at accelerating AI adoption in government, including:

- Formalising the Chief Artificial Intelligence Officer Council as the hub for interagency coordination.
- Creating a talent-exchange programme to move AI expertise quickly across agencies, and launching a General Services Administration (GSA)-led procurement toolbox to streamline access to AI models and use cases.
- Expanding technology transfer between agencies.
- Ensuring employees' access to frontier language models, with training to use them effectively, and piloting AI solutions in high-impact service providers.

Taken together, these actions signal real momentum and lay the foundations for a more coherent federal approach to AI adoption, building on earlier efforts by this administration.

A key next step would be to connect these actions with previous initiatives, including the January 2025 executive order on AI leadership and subsequent Office of Management and Budget (OMB) memoranda on AI use and procurement issued in April 2025, the latter of which directs agencies to accelerate adoption while setting priorities and standards across the lifecycle, from procurement to deployment.[2,3,4]

Already, elements of this agenda are moving into practice. The government has signed deals with OpenAI and Anthropic to give federal workers access to AI tools at cost, while the GSA has launched USAi to coordinate adoption and create space for employees to experiment.[5,6,7] More broadly, AI systems are steadily being integrated across agencies – from defence and national security to immigration and workforce development.

These are essential enabling initiatives that lay the groundwork for transformational change. The next opportunity is to connect the mechanics of adoption – the "how" – to a clear sense of purpose – the "why".

Establishing a coherent model of AI-era governance would help ensure that accelerated adoption serves as a catalyst to reimagine the state rather than representing an end in itself.

By aligning speed with a unifying vision that links domestic priorities to international ambition, the US can build on early progress to drive sustained, system-wide reform and further strengthen its global leadership in the AI era.

The next move is to develop a clear roadmap around a set of objectives for AI to enhance service delivery, streamline operations and support more responsive government – cutting waiting times, clearing backlogs, designing smarter and more personalised services, and using real-time data for faster, more strategic decisions.

An effective AI roadmap brings together a government's top skills, expertise and technical know-how, with dedicated teams often playing a central role in driving digital transformation and improving public services.

As we wrote after the establishment of the Department of Government Efficiency (DOGE) in early 2025, with a thoughtful approach, the department can and should play a crucial role in advancing digital transformation to modernise government and serve people better. While much of the debate since then has focused on DOGE's efforts to cut costs (and, more recently, on speculation around its future), space remains for bipartisan agreement on the need to productively disrupt a status quo that is failing to deliver for people. This should include an ambitious programme of digital transformation that brings people's experiences of dealing with government institutions in line with their everyday interactions with the private sector. Given its current leadership in AI and its ambitions for continued growth in the action plan, the US is in principle well positioned to do this.

In practice, DOGE's mission could be aligned explicitly with the delivery of the action plan, and its efforts focused on embedding AI at the operational and application layers of government, recognising that tech-enabled cost-reduction measures can drive efficiency, streamline operations and improve services while also shrinking spending in the long run.

Such alignment with the broader transformation agenda would help scale and diffuse the use of AI across federal agencies, make systems more adaptive and effective, and strengthen public-sector performance – serving as a catalyst for lasting change.

There is a significant opportunity to demonstrate AI leadership at home and, in doing so, further bolster US influence abroad. This requires moving beyond incremental change towards systemic reform that begins at the federal level and extends to federal-state interoperability and state-level modernisation.

03

A New Model for AI-Enabled Governance

The US is not alone in its ambition to leverage AI to strengthen the everyday legitimacy and responsiveness of the state, but it is one of a handful of countries that has both the access to frontier technology and relative freedom from infrastructure constraints to move at pace and set high levels of ambition. This puts it in pole position to implement the kind of vision for reimagining the state that TBI has set out both in the context of the UK and other parts of the world.

In our paper *Governing in the Age of AI: A New Model to Transform the State*, we argue that AI is not simply a tool to modernise legacy systems but a once-in-a-generation opportunity to reimagine how the state operates from the ground up. At its heart, this is a vision for government that is faster, smarter, more strategic and more human-centred. It uses AI not to replace public servants or democratic decision-making, but as a powerful tool to augment both.

The path forward begins with what can be done right now – using off-the-shelf AI to improve services, reduce backlogs and support public servants – and builds towards a transformation by 2030 that fundamentally reshapes how the state engages with people, makes decisions and delivers impact.

What Government Can Do Now

The technology to deliver major improvements in how public services operate already exists. In our analysis of AI capabilities most relevant to the everyday tasks of government, we identified three domains where AI can be deployed now to generate measurable impact:

1. PEOPLE-FACING SERVICES

AI can transform how people access and experience public services by enabling faster, more intuitive and more personalised interactions. Public-service engagement typically involves three types of flows: providing information, processing payments or other transactions, and delivering non-financial services (such as applications or registrations). Each of these flows can be reimagined using AI.

AI tools can streamline access to information by helping people navigate complex services, provide tailored answers and anticipate their needs before they arise. Transactional services – whether financial, such as paying taxes and receiving benefits, or non-financial, such as planning applications, passport appointments or licensing – can be increasingly automated, reducing delays and error. Importantly, AI can strengthen fairness as well as efficiency. By offering multi-channel support (including voice and offline options for those less digitally confident) and real-time translation services into multiple languages, AI can help reduce inequities in access.

Over time, these capabilities can evolve into what we call a Digital Public Assistant – a personalised, AI-powered interface through which each member of the public can engage with government. Such an assistant could pre-populate forms with existing data, provide status updates on applications, explain entitlements in plain language and proactively match people with services or benefits. Beyond convenience, this vision represents a shift in the citizen-state relationship from one in which individuals must navigate fragmented bureaucracies to one in which the state actively enables and empowers, ensuring access is consistent, fair and transparent for all.

2. OPERATIONAL AND BACK-OFFICE EFFICIENCY

A large share of government work revolves around processing and managing information – handling casework, fulfilling legal obligations, recording and sharing data, and running procurement. These operational

flows are the backbone of public administration, but they are also labour-intensive, repetitive and often slow. AI can sharply reduce this burden, freeing staff to focus on judgement and complex decisions.

In the UK's Department for Work & Pensions, for example, the Intelligent Automation Garage has already processed over 19 million transactions, saving more than 2 million staff hours and £54 million.[8] Similarly, a TBI paper examining the impact of AI adoption on local government found that AI could generate around £30 million in annual productivity gains for a single local authority – implying potential savings of about £8 billion per year if scaled across England and Wales.

Today's AI tools can forecast demand for services, helping governments anticipate pressures and allocate resources more effectively. They can speed up triage in areas such as immigration or welfare, ensuring urgent cases are handled first and backlogs are cut. They can enhance investigations and analysis by detecting anomalies, summarising vast bodies of evidence and surfacing insights that would otherwise remain hidden. Generative AI adds another layer of capability, supporting internal functions such as drafting and analysing contracts or aggregating data across departments – making operations faster, more accurate and more secure.

This is the foundation for a more systemic transformation: the rollout of a Multidisciplinary AI Support Team (MAST) model, in which each official is supported by a configurable suite of AI tools that learns from experience, scales with demand and handles tasks end-to-end – from triage to resolution and escalation.

3. STRATEGIC DECISION-MAKING AND POLICY DEVELOPMENT

AI's ability to model complex scenarios and evaluate policy options gives it a unique role in the decision-making processes of government, supporting policy design, performance monitoring and real-time situational awareness. These capabilities can help policymakers anticipate risks, adapt faster to changing circumstances and design more resilient strategies.

AI can accelerate the research and support tasks that underpin policymaking, synthesising evidence from vast data sources, generating drafts of policy briefs or evaluations, and mapping complex systems such as energy grids or labour markets to test interventions before they are deployed. It can also give policymakers a deeper read on public opinion, analysing survey results, consultation feedback and online discourse to provide a more nuanced picture of the public's priorities and concerns.

By 2030, these tools could converge into a National Policy Twin – a dynamic modelling environment that brings together real-time operational data, consultation feedback and international evidence to embed foresight and adaptability into everyday policymaking. This would become the default platform through which civil servants and policymakers engage with trade-offs, scenario planning and system-wide analysis.

A Vision for 2030: An AI-Era Operating Model

Taken together, these tools provide the architecture for a radically improved public sector by 2030 – one in which members of the public receive personalised support, civil servants work alongside AI to amplify their impact, policymakers draw on real-time insights, and data flow across the whole system to connect and strengthen it. In this vision:

- Every person has a Digital Public Assistant that advocates on their behalf, helps them access services automatically and provides real-time transparency of decisions.
- Every official works alongside AI co-workers (MAST) that handle repetitive tasks, support decision-making and surface insights, transforming productivity.
- Every policymaker has access to a shared computational model (the National Policy Twin) to monitor outcomes, identify risks and enable faster, more coordinated action across silos.
- Every institution operates on a unified data infrastructure (the National Data Spine) that ensures interoperability, security and ethical use of information, turning fragmented data into a cohesive national asset. This

national data backbone unlocks the full potential of public-sector data by enabling secure, seamless and scalable access to linked data sets, driving AI-enabled innovation, transforming public services and powering solutions tailored to the US context.[9]

This model does not mean replacing existing institutions but equipping them to do their jobs better. The Digital Public Assistant improves the relationship between the state and the public. MAST improves how work gets done. The National Policy Twin improves how strategic decisions are made and the National Data Spine links it all together. Together, these platforms represent an operating system for a modern state.

04

Reimagining Government to Lead Globally

AI offers the chance not just to digitalise 20th-century bureaucracy but to create a 21st-century model of governance – always on, personalised, preventative, data-driven. Turning these ideas into practice will be a defining test of leadership.

The US – with its size and resources, federated structure and complex AI-policy ecosystem – has every reason to be bold. The era of small pilots and siloed departmental experiments is over. Governments now have enough evidence to act, and the cost of inaction is rising. The challenge is no longer about testing small-scale ideas, but about delivering at scale.

The time is ripe for a rethink of how government operates from the ground up. AI and other emerging technologies are rewriting the playbook for governing by reimagining how problems are identified, solutions procured and value delivered to leaders, civil servants and the public. Getting this rethink right will require challenging long-standing habits and assumptions about how government operates and engages with society.

But the benefits of domestic reform extend beyond national borders: by strengthening the machinery of government at home, the US also reinforces the foundations of its global AI leadership. The US, alongside China, is seen as one of the two countries with both the capacity and resources to lead by example.

Any government seeking to influence global AI adoption, including the US, should aim to demonstrate what is possible at home. That means showcasing what an AI-enabled government looks like and providing a model that other countries want to emulate. Global influence will be strongest when diplomatic efforts are paired with visible domestic implementation at scale. A state that shows AI transforming public services, accelerating decision-making and rebuilding people's trust will be far more persuasive than one that makes the case only in principle.

This is also a matter of credibility of both the US government and the US tech sector. As a growing list of firms invest hundreds of billions more in US infrastructure, the government has a chance to pave the way for global deals by making domestic adoption a proof of concept. Companies such as OpenAI and Anthropic are already marketing their tools to foreign governments, but those efforts will carry more weight if the US government is visibly using those systems and leading by example. Other countries will take US guidance more seriously if it embodies the model it promotes.

Embedding AI at the core of government delivers efficiency and economic gains while strengthening the US's ability to compete internationally – both economically and in defence. The surest path to global AI leadership is to make the US the first proof point of what an AI-enabled state can achieve.

Creating the right environment is essential. This is not a one-off upgrade but a shift towards systems that enable government to adapt continuously as technology evolves. Success will depend on structural reform, sustained investment and adoption at scale by both public servants and the people who benefit from better services.

The reform required is not just technical but also institutional, political and cultural: reshaping how government approaches technology, encourages experimentation and embeds an adaptation mindset. This begins with how it recruits and develops people, manages and shares data, secures compute and procures the tools it needs.

The Building Blocks of an AI-Ready Government

In the industrial age, power lay in invention. In the AI age, it also lies in diffusion – how quickly new technologies spread and are used.[10] For the US, the challenge is not just inventing breakthroughs but diffusing them across government, the economy and public services. The US leads in research and startups in AI and emerging technologies, yet translating that innovation into system-wide change remains a challenge. Updating infrastructure, modernising procurement and streamlining processes would help close the gap between innovation and impact.

Achieving this will depend on a clear strategy to move AI into the everyday machinery of government. This strategy would need to be built on the fundamentals of an AI-ready state: skilled people, access to data and compute, clear adoption pathways and partnerships, and the application of AI to public services where it can make the most difference.

PEOPLE

Talent is a priority. Effective governance of AI requires both centralised teams to establish a vision, standards and direction, and distributed teams within agencies to translate strategy into practical solutions. This requires paying competitively; if the public sector insists on discount salaries, it will continue to lose critical expertise to the private sector.

There is a risk of experienced AI and tech professionals moving out of government just as their expertise is most needed. The short-term savings this would generate may end up undermining the very efficiency gains and cost reductions that technology can unlock. Mitigating this risk requires more than recruitment; it requires a renewed focus on retention and building capability, as well as empowering top talent with the mandate and tools to drive lasting impact. Long-term impact will hinge on whether momentum diffuses through the civil service itself, embedding AI capabilities and culture so that innovation is sustained rather than episodic.

In practice, this means investing in people at every level. Technical specialists are essential, but so too is building broad expertise across the workforce: understanding how AI functions, where it adds value and how to integrate it into daily operations. Staff who know the nuances of their work must be empowered to identify the best use cases, with a user-centred approach guiding not only public-facing services but also the way in which employees themselves experiment with AI. The administration's recent steps to let federal workers test new tools mark an initial move towards embedding a culture of experimentation across government. One example to look to may be the UK's government's One Big Thing annual cycle of focused training for all civil servants, which in 2025/26 is organised around the theme of AI for All.[11]

Partnership with the private sector will also be vital. To the administration's credit, major strides have already been made in building stronger collaborations, providing a solid foundation to build on. But human capital remains the decisive factor.

Accelerating AI in government is not just about hiring a handful of experts; it requires training the wider civil service to use AI safely and effectively in its day-to-day work. Leadership and culture will determine success. Civil servants, as well as politicians, must see AI as a tool to amplify their impact, not threaten it. At the same time, career pathways for digital and AI specialists need to be strengthened so that public service becomes a destination for top talent.

DATA AND COMPUTE

Data and compute are the backbone of an AI-enabled state. Yet much of the data government depends on are siloed, fragmented or locked in outdated systems. Access to compute remains overly concentrated in a small number of providers. Without modern, secure and interoperable infrastructure, even the most advanced AI models will underperform, show bias or erode trust. With the right foundations, however, AI can reduce fraud, improve forecasting, deliver faster services and strengthen resilience.

Modern AI also requires enormous compute. The rise of generative models has sent demand for compute soaring across both the private and public sectors, highlighting the urgency of investment. Initiatives such as The Stargate Project – a joint venture between OpenAI, SoftBank, Oracle and investment firm MGX which plans to invest up to $500 billion in AI infrastructure in the US by 2029 – illustrate the sheer scale of infrastructure required.[12] Without sufficient compute capacity, government will struggle to deploy AI effectively in critical areas such as processing benefits, managing tax returns, reducing immigration backlogs or forecasting demand across other public services.

At present, the federal government relies heavily on a small number of commercial providers. That may work for routine tasks, but it becomes a serious risk when the services involve sensitive data about the public. US National Laboratories hold significant compute capacity, yet delays or bottlenecks can slow delivery and undermine public confidence.

To address this, the US would need to invest in secure environments for sensitive data, diversify trusted partnerships and plan long-term for access to advanced semiconductors and cloud infrastructure. The goal should not be independence for its own sake, but assurance – ensuring government has the compute it needs to innovate, sustain essential services and meet rising expectations for speed and reliability.

POLICY AND REGULATION

Strong AI governance is essential to ensure safety, accountability and alignment with democratic values. By working across all branches of the federal government, including individual agencies, the US can build consensus on governance rules that promote the safe development and use of AI to improve public outcomes. But governance must also enable adoption at scale and avoid becoming a barrier to modernisation goals. If developed correctly, smart regulation should enhance tech innovation in ways that are beneficial for both the public and private sectors.

US procurement and regulatory systems are evolving to match the pace of technological progress. Continued modernisation will be key to overcoming the legacy of slower, more risk-averse processes. The current administration is taking this challenge seriously, addressing it not only through America's AI Action Plan and recent OMB directives but also within the Department of Defense, where recent efforts have set out to tackle longstanding procurement challenges.[13] Process and cultural dimensions matter as much as regulation, since perspectives on risk and technology adoption play a defining role.

A modern approach would need to move beyond piecemeal experimentation and tie funding to real-world milestones. A key consideration is the flexibility of agencies to adopt modular, adaptable

solutions and explore them in regulatory sandboxes that allow risks to be contained without impeding innovation. Clear rules on data, privacy and accountability will build trust while allowing innovation to move forward.

Leadership in domestic regulation also carries international weight. By embedding AI responsibly at scale, the US can set standards globally and ensure that democratic principles and values shape the norms and rules of the AI era.

PROCUREMENT AND PARTNERSHIPS

AI adoption in government is as much an institutional challenge as a technological one. Rather than assuming every system must be built internally, it is important to have clear principles to guide choices between off-the-shelf procurement, the adaptation of existing models and sovereign investment. Promising steps have been taken, such as the introduction of the AI procurement toolkit and the plans to let departments reuse applications across government. Building on this, an internal e-commerce-style platform could give agencies a simple way to see the tools that have been purchased, how they are used and how they can be adapted.

Procurement – how governments buy and deploy technology – is a critical lever for digital transformation, setting the tone for how innovation is delivered and sustained. Current systems, however, are too slow and risk-averse to keep pace with AI, as the speed of technological progress outpaces governments' capacity to procure and implement new solutions. Procurement professionals need better tools to evaluate AI solutions, and agencies need modular, agile processes that allow them to experiment, scale quickly and tap innovation from startups as well as established firms. The action plan acknowledged the procurement gap, and further work on the cultural, systemic and process dimensions would help embed change across the system.

The private sector is already driving much of government innovation and will continue to do so, but scaling requires more than transactional contracts. Public–private partnerships should be structured around shared goals, long-term investment and embedding AI into critical sectors such as logistics,

finance, agriculture and defence. When procurement supports solutions that work across agencies and can later be exported globally, it creates a virtuous cycle: government adoption fuels private innovation, and private innovation strengthens the tools available to government. Cultivating those companies – both large and small – not only strengthens the US economic presence globally but also puts it in a stronger position relative to economic competition and the geopolitics of AI and technology.

Conclusion

Reimagining how AI is used in government is of direct relevance to US global ambitions. To bolster credibility of the AI action plan, it needs to be a foundational pillar of its broader AI strategy – now and for the years ahead. The real measure of success is not only how fast the private sector innovates, but whether government is harnessing these new technologies to serve people better, faster and more fairly.

Alongside the efficiency gains this can produce, the effectiveness of government will be improved. To build the necessary capability, investment is needed in tools, infrastructure and training to embed AI expertise across government and drive adoption at scale. A government fit for the AI era must be resilient, adaptable and able to move at the speed of today's challenges – whether responding to crises, delivering benefits or shaping smarter policy.

Ultimately, US leadership abroad will be strongest when underpinned by a clear demonstration of what effective AI adoption looks like at home. The US is one of only two countries with the ability to set the global tone and shape how others respond – a defining feature of sovereignty in the age of AI. But the value of that advantage will be determined by the way in which AI is deployed and diffused. Showing, through practical implementation, what applied AI in government looks like can strengthen US credibility.

By deploying AI across its own institutions, the US can provide a tangible model others will want to emulate. Success at home would make a compelling case for how and why other countries should choose to partner with Washington as they build their own AI-enabled governments. US companies such as OpenAI and Anthropic are already making their tools available abroad, just as they sign new partnerships at home. Washington must now be the first and most credible showcase of how AI can transform public services, whether delivered by federal, state or local government.

If the US wants to lead in the age of AI, it must lead first in how it governs. A bold domestic agenda is a major value-add for global influence.

Endnotes

1 https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf

2 https://www.whitehouse.gov/presidential-actions/2025/01/removing-barriers-to-american-leadership-in-artificial-intelligence/

3 https://www.whitehouse.gov/wp-content/uploads/2025/02/M-25-21-Accelerating-Federal-Use-of-AI-through-Innovation-Governance-and-Public-Trust.pdf

4 https://www.whitehouse.gov/wp-content/uploads/2025/02/M-25-22-Driving-Efficient-Acquisition-of-Artificial-Intelligence-in-Government.pdf

5 https://www.gsa.gov/about-us/newsroom/news-releases/gsa-announces-new-partnership-with-openai-delivering-deep-discount-to-chatgpt-08062025

6 https://www.gsa.gov/about-us/newsroom/news-releases/gsa-strikes-onegov-deal-with-anthropic-08122025

7 https://www.usai.gov/

8 https://careers.dwp.gov.uk/using-automation-for-good/

9 https://institute.global/insights/tech-and-digitalisation/governing-in-the-age-of-ai-building-britains-national-data-library

10 https://jeffreyjding.github.io/documents/Rise%20and%20Fall%20of%20Technological%20Leadership%20ISQ%20Accepted%20Manuscript%20March%202024.pdf

11 https://moderncivilservice.campaign.gov.uk/one-big-thing/

12 https://openai.com/index/announcing-the-stargate-project/

13 https://defensescoop.com/2025/03/07/hegseth-memo-dod-software-acquisition-pathway-cso-ota/

TONY BLAIR
INSTITUTE FOR
GLOBAL CHANGE

Follow us

facebook.com/instituteglobal

x.com/instituteGC

instagram.com/institutegc

General enquiries

info@institute.global