Embracing digital government for Europe's citizens: **how do we maximise the AI opportunity?**

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Introduction

At a critical juncture for Europe, amid geopolitical tensions and an urgent need to boost innovation and economic resilience, policymakers, private sector representatives and civil society leaders convened for a dinner-debate hosted by Friends of Europe. The evening's discussion focused on artificial intelligence (AI) and its transformative potential for Europe's public sector. Set against the backdrop of mounting economic pressures, security concerns and digital disruption, participants examined how to harness AI responsibly while strengthening public trust, digital sovereignty and competitiveness.

The event, held under Chatham House Rules, encouraged candid dialogue and practical recommendations to guide Europe's strategic approach to AI adoption.

Key recommendations:

- **Invest in AI-related training and capacity-building** for public sector employees to enable inclusive and efficient deployment.

- **Enhance European coordination** to support shared AI infrastructure, avoid fragmentation and accelerate public sector adoption.

- **Improve market conditions for cloud services and data usage**, focused on enforceable standards, data security, greater openness and more flexibility for users.

- **Modernise public sector IT systems** to eliminate technical barriers to AI integration.

- **Ensure AI systems uphold public trust**, prioritising transparency, safety, ethical use and citizen-centred services.

Opening reflections: Europe at a turning point

The evening opened with reflections on Europe's current position and the rapidly evolving global landscape. A representative from a leading tech company emphasised that Europe is at a digital and economic inflexion point, where decisions made today will shape the continent's competitiveness and resilience in the decades to come.

With AI emerging as a defining technology, participants highlighted the opportunity to not only reinvigorate Europe's economy but also to improve public service delivery, bolster security and address labour market challenges.

The EU's growing emphasis on competitiveness – through instruments such as the Competitiveness Agenda and the vision of "Europe as the AI Continent" – was praised as timely and ambitious.

AI as a catalyst for public sector transformation

AI was framed not just as a powerful tool for innovation, but as a "breakthrough for creating breakthroughs." A prime example was cited: AlphaFold, the AI system developed by Google DeepMind, which predicted the 3D structure of nearly all known proteins in weeks – an achievement equivalent to 400 million years of scientific progress. This underscores AI's capacity to transform research, healthcare and public services.

Participants discussed a recent study projecting that generative AI could boost productivity in European public administrations by 10%, representing a potential annual value of €100bn. These gains, it was argued, could help governments finance the green transition, meet rising security costs and offset talent shortages, all while delivering more efficient and accessible services to citizens.

The Implement Consulting Group's report further highlighted that generative AI has the potential to contribute €1.2–1.4tn to the EU's GDP over the next decade, with the public sector accounting for 20–25% of this potential.

Practical use cases and infrastructure needs

Case studies were shared illustrating how AI is already supporting innovation within public administrations. For example, France is working with the AI-based system "Albert" tool to modernise local services, using chatbots and automated transcription to improve responsiveness, reduce workloads and provide high-quality citizen engagement. Over the next few years, this initiative will continue to roll out more AI applications and integrate AI across France Services centres.

Despite this progress, participants acknowledged substantial barriers to scale. Many public administrations still face skills gaps, inconsistent regulatory interpretations and insufficient and inflexible cloud provision based on legacy IT systems. These technical, governance and market obstacles must be addressed to fully realise AI's benefits across Europe.

Digital sovereignty and security

Another major theme of the debate was digital sovereignty – the ability for governments and institutions to retain control over data and infrastructure in an increasingly multipolar digital world. The concept of sovereignty was framed not only in terms of data location, but also vendor flexibility, potential for switching providers, multi-cloud compatibility and local control of encryption and oversight.

Participants welcomed innovations in sovereign cloud services, which are designed to meet Europe's privacy and security standards while maintaining the scalability and robustness of global cloud platforms. Security and sovereignty, it was argued, are two sides of the same coin, particularly as Europe strengthens its response to evolving digital and geopolitical threats.

The Policy imperative: from regulatory growth to economic growth

A recurring message throughout the evening was the need for a policy mindset shift – from one focused solely on regulatory containment to one that actively supports economic and technological growth. Participants stressed that Europe cannot afford to miss the AI opportunity, and that the EU's current focus on simplification and innovation-friendly implementation of frameworks like the AI Act is a step in the right direction.

There was consensus that the AI Act must be implemented consistently, without introducing additional burdens that might deter public sector innovation. At the same time, policymakers must continue investing in research and development, skills and interoperable infrastructure to ensure sustainable, long-term impact.

Finally, the report cautioned that a five-year delay in the adoption of generative AI could reduce the economy-wide potential in the EU from €1.2–1.4tn to just €0.3–0.4tn.

Conclusion and call to action

The dinner concluded with a shared recognition that AI offers both promise and complexity for Europe. If managed wisely, AI could unlock enormous economic value, improve public services and reinforce Europe's global leadership in digital governance. But this requires bold action, deeper collaboration and a strategic shift from fragmented experimentation to unified deployment.

Participants reaffirmed the importance of building public trust, empowering the workforce and aligning AI deployment with democratic values. Europe has the tools, talent and vision to lead – but it must now move decisively to make that vision a reality.