What's next?

Frameworks for AI-driven digital government

Luukas Ilves and Toomas Ilves

e-Governance Conference 2025

Outline

(1)   Government efficiency and effectiveness

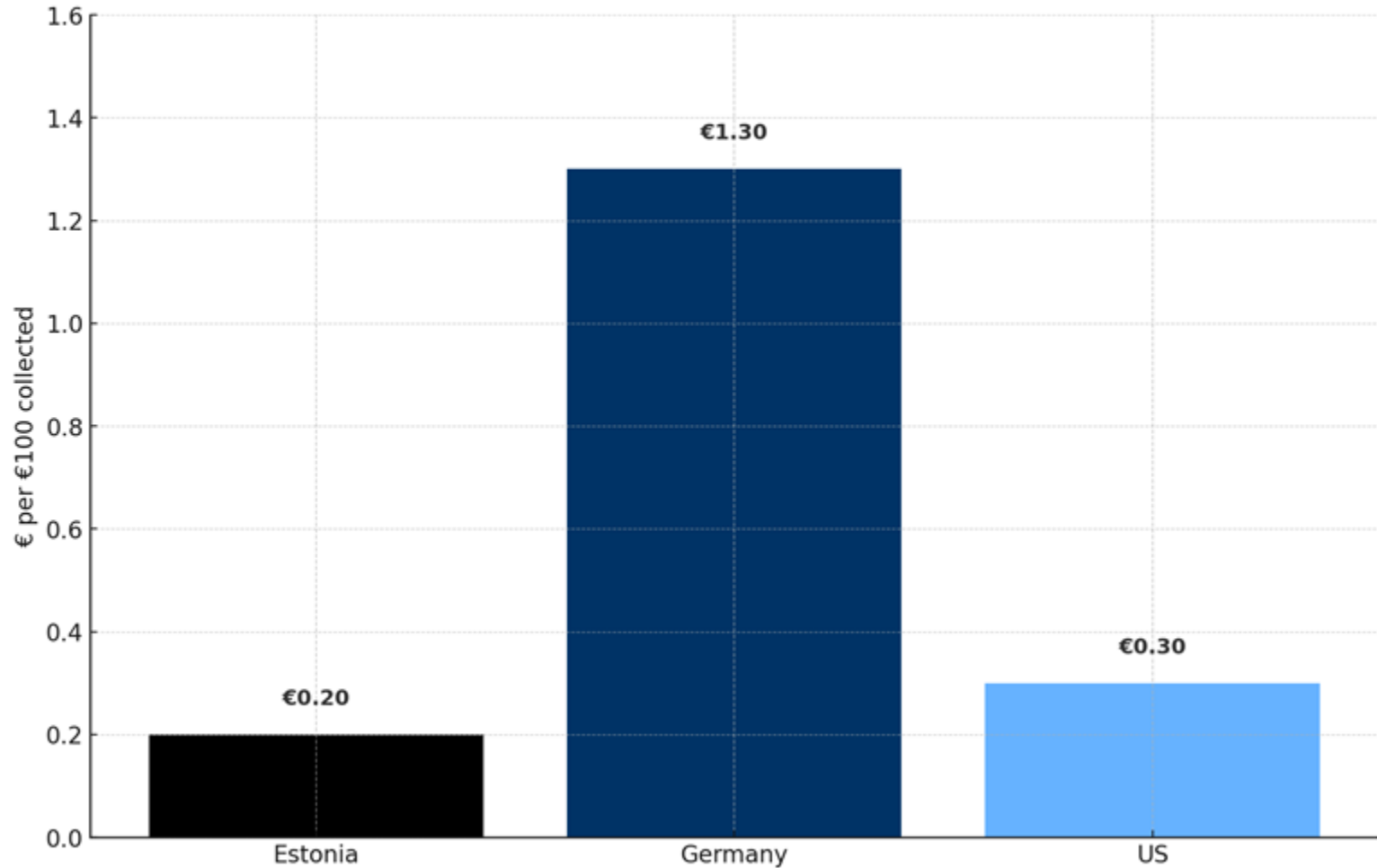(2)   The Agentic State - updating the digital government agenda for AI

Part 1:
Government efficiency and effectiveness

Reimagining the State, Government and Public Administration for the era of agentic AI
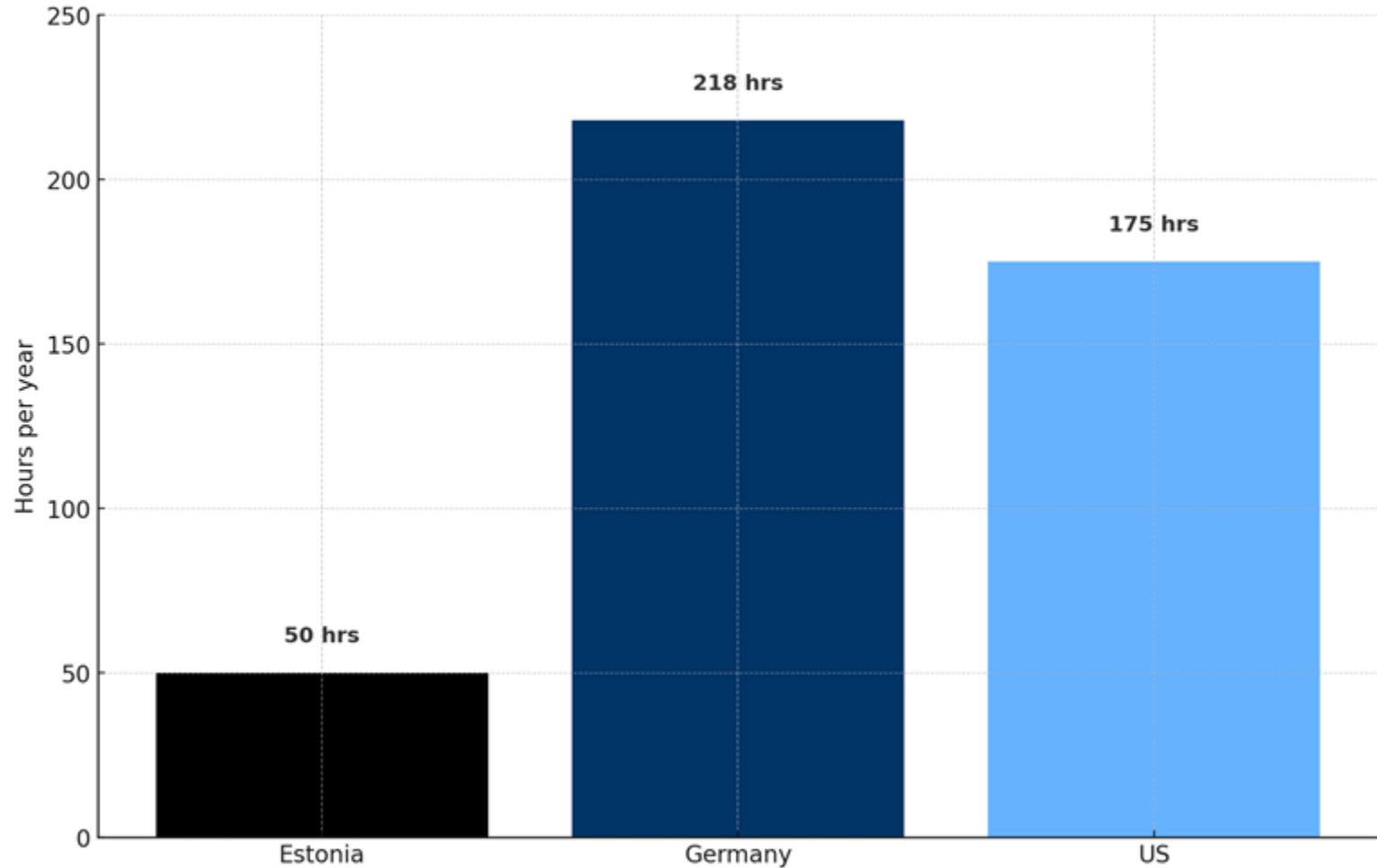
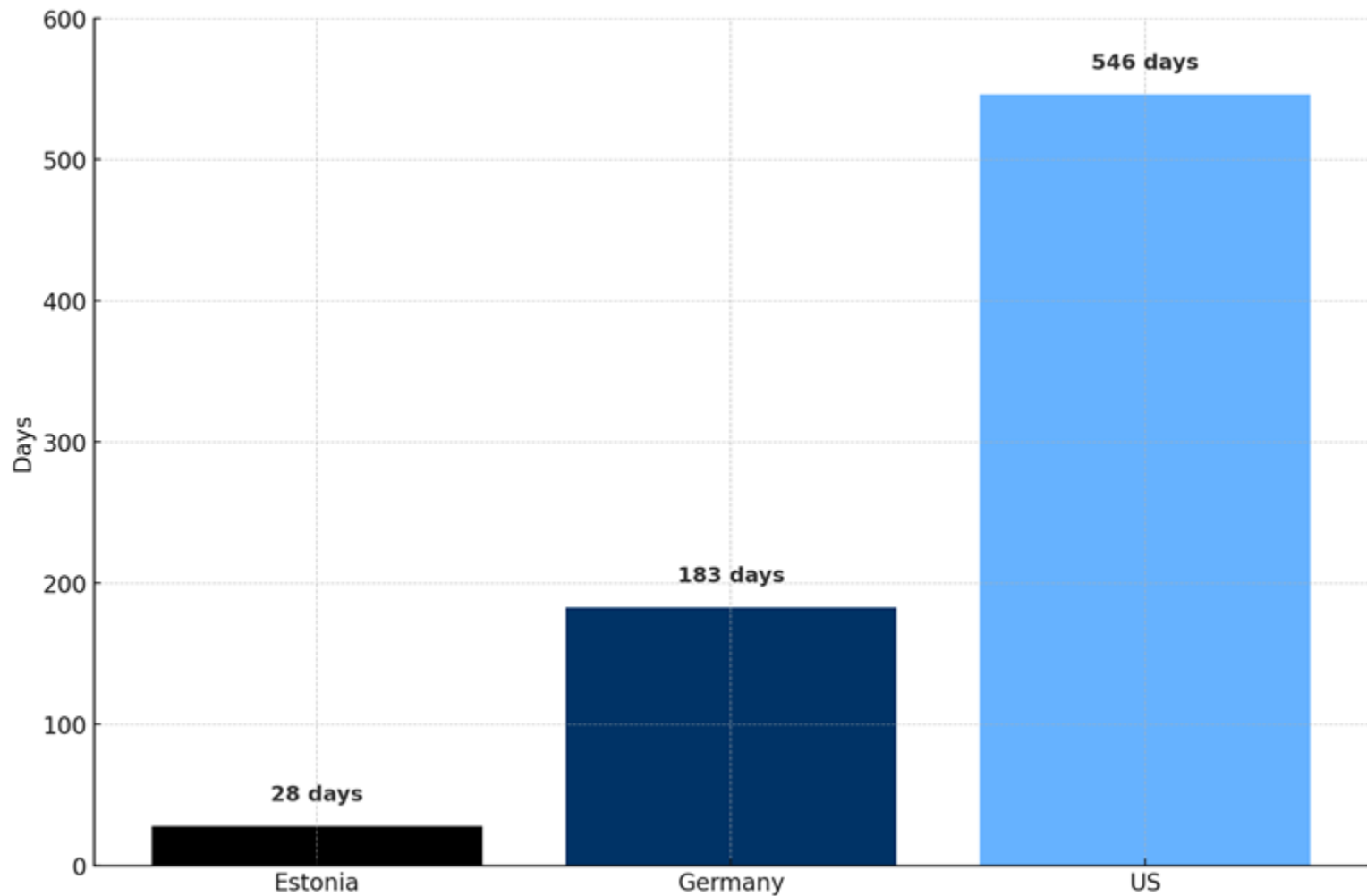# Tax Administration Efficiency
Cost to Collect €100 of Tax Revenue

€ per €100 collected

Estonia	€0.20
Germany	€1.30
US	€0.30

Tax Compliance Burden for Businesses
Hours per Year Spent Filing Value-Added, Labor, and Profit Taxes

Average time to resolve a civil court case

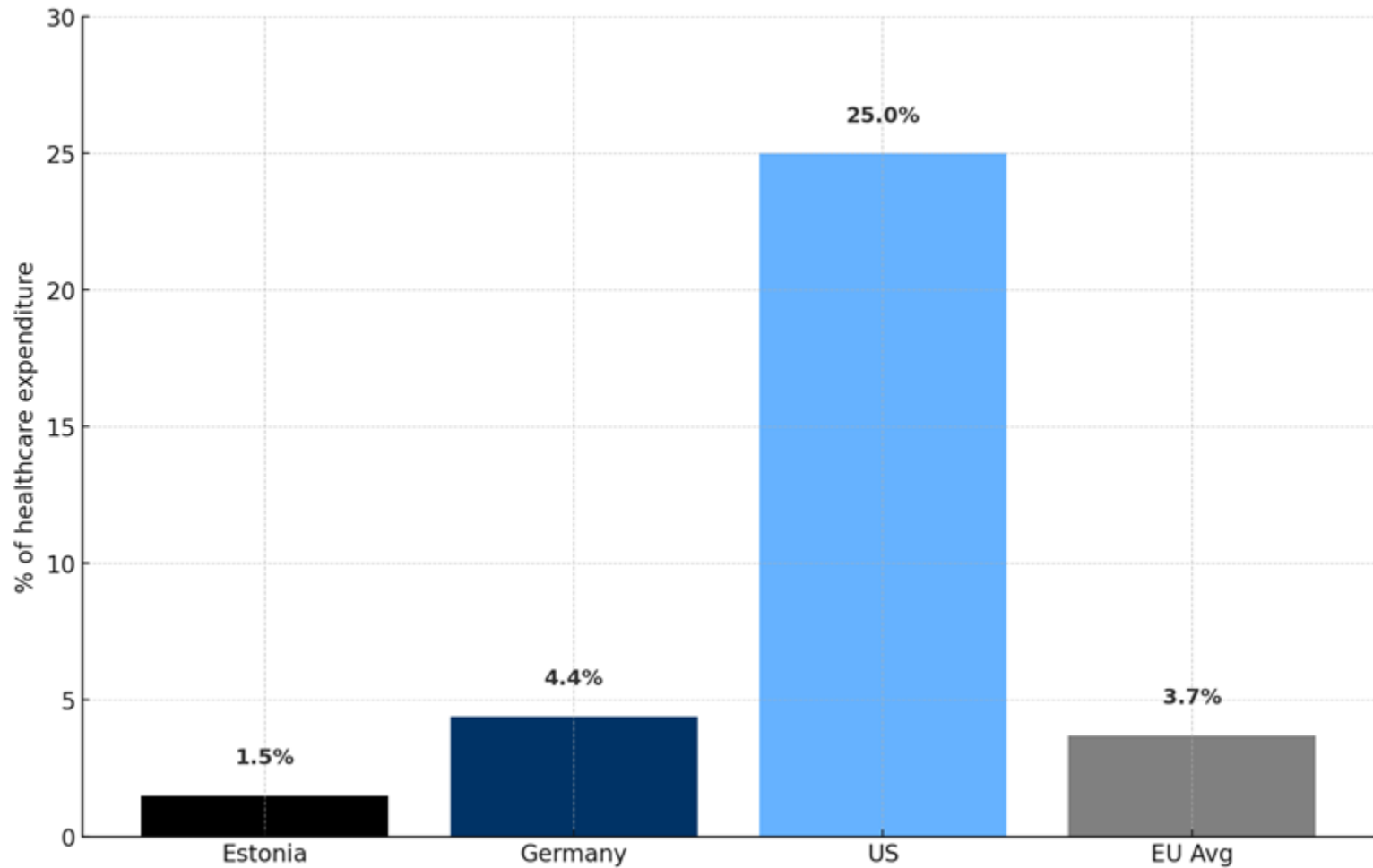| Country	Days
Estonia	28 days
Germany	183 days
US	546 days

Entrepreneurship
Business Founders per 10,000 Inhabitants (Global Ranking)
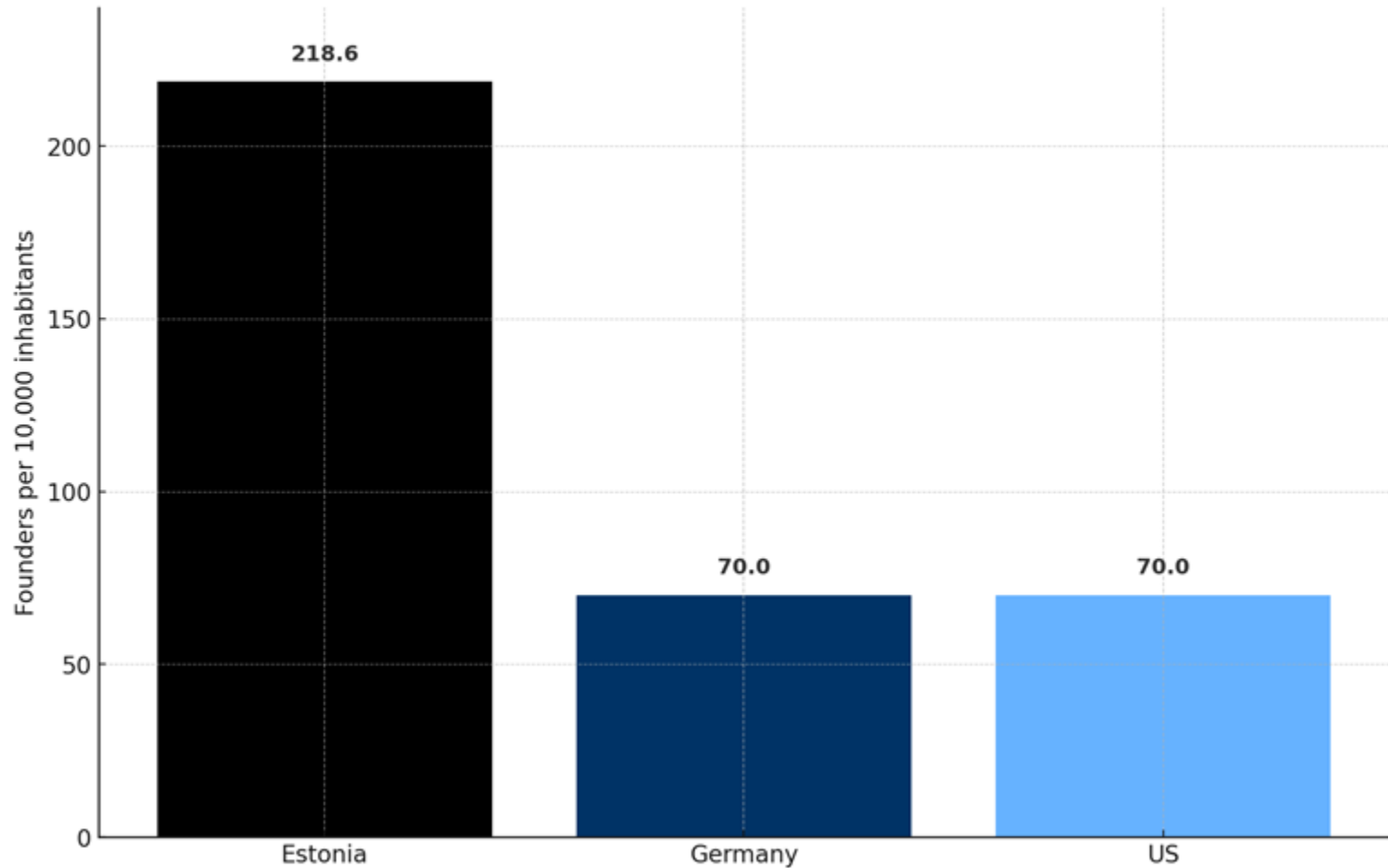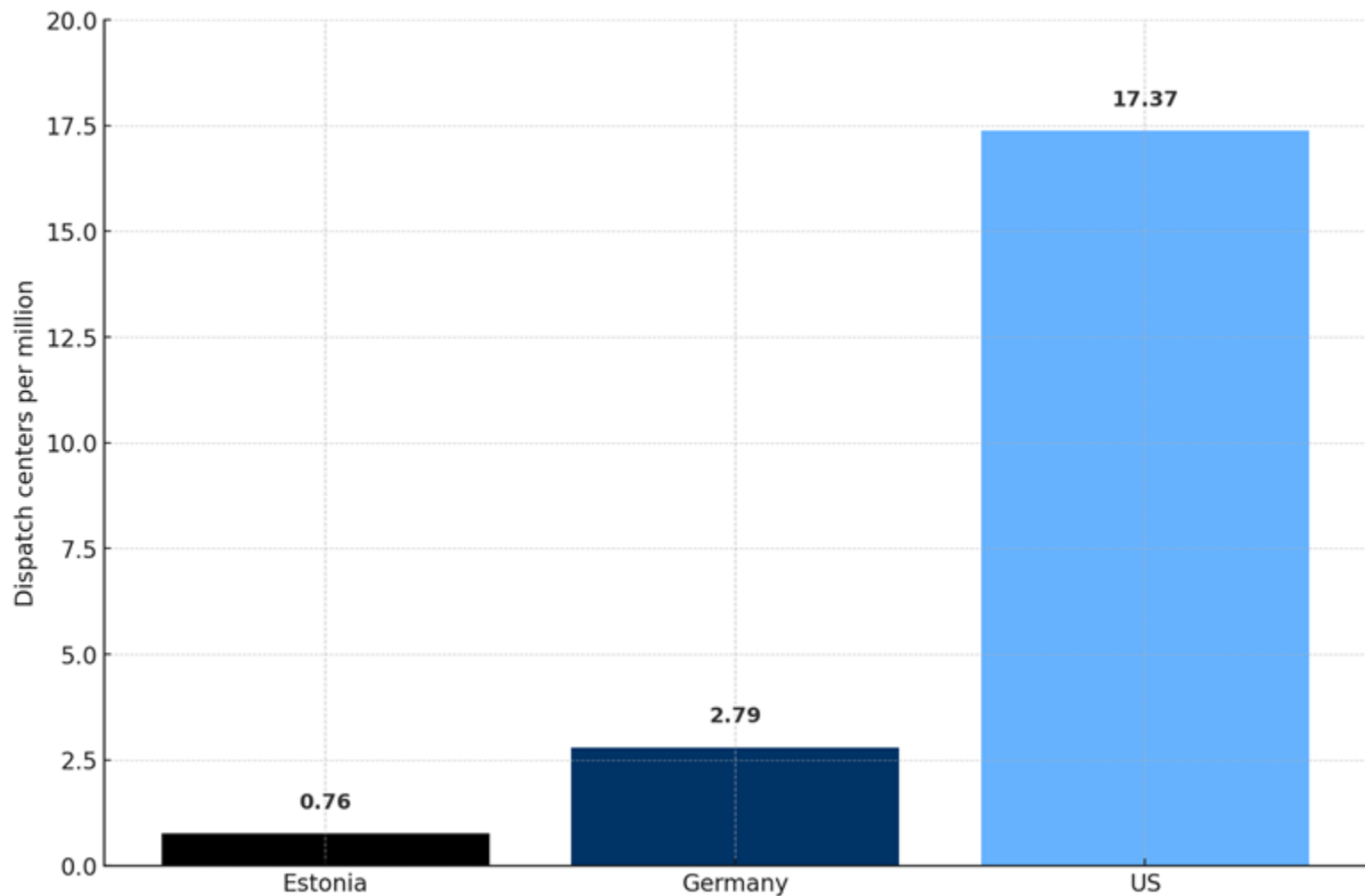
Average Real-Estate Transaction Costs
% of Property Value (Ranking out of 68 Countries)
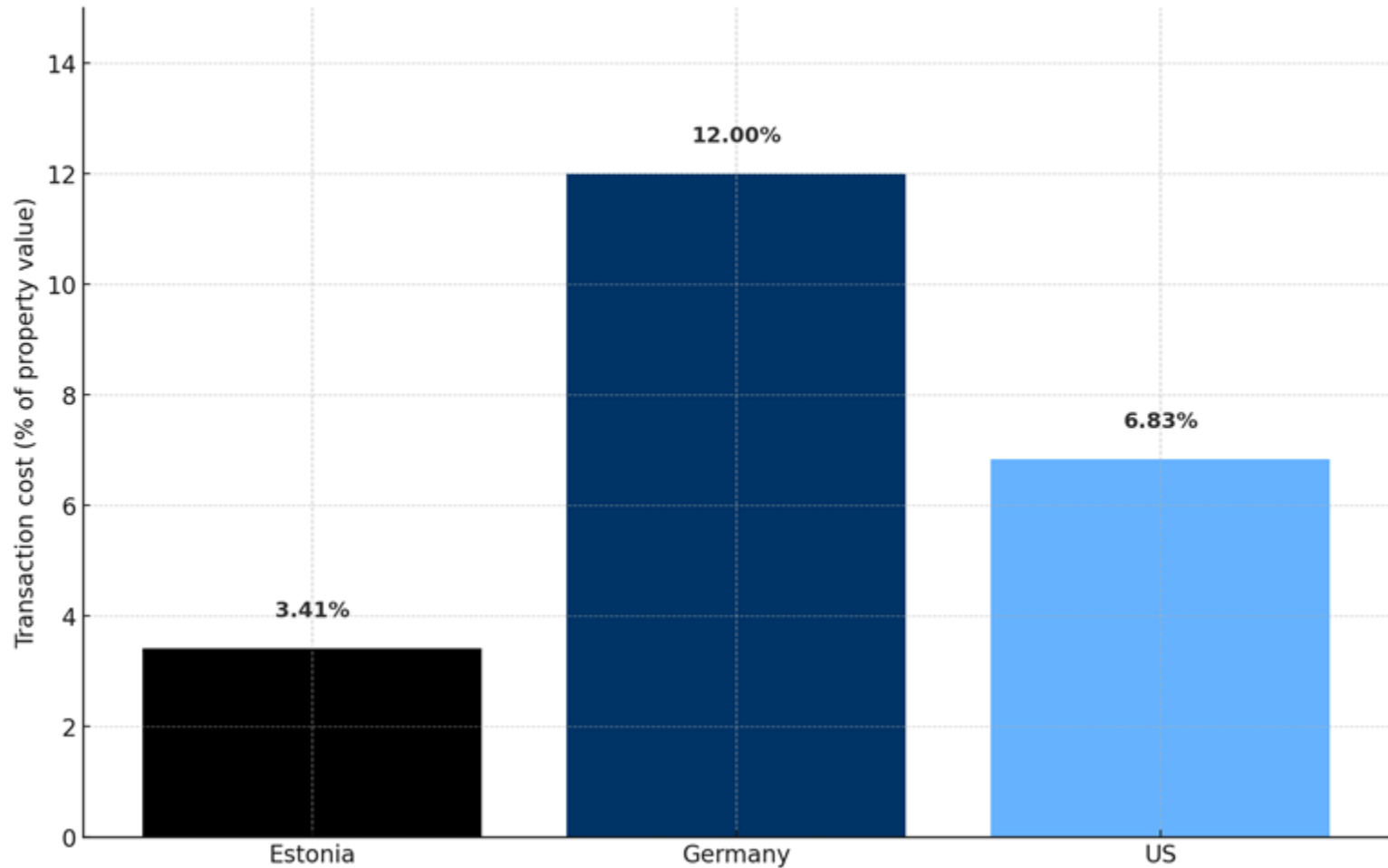
Administration Costs in Healthcare
% of Healthcare Expenditure

	% of healthcare expenditure
Estonia	1.5%
Germany	4.4%
US	25.0%
EU Avg	3.7%

Emergency Dispatch Centers per Million Inhabitants

Authentications Using Secure National e-ID
Per Person Per Year

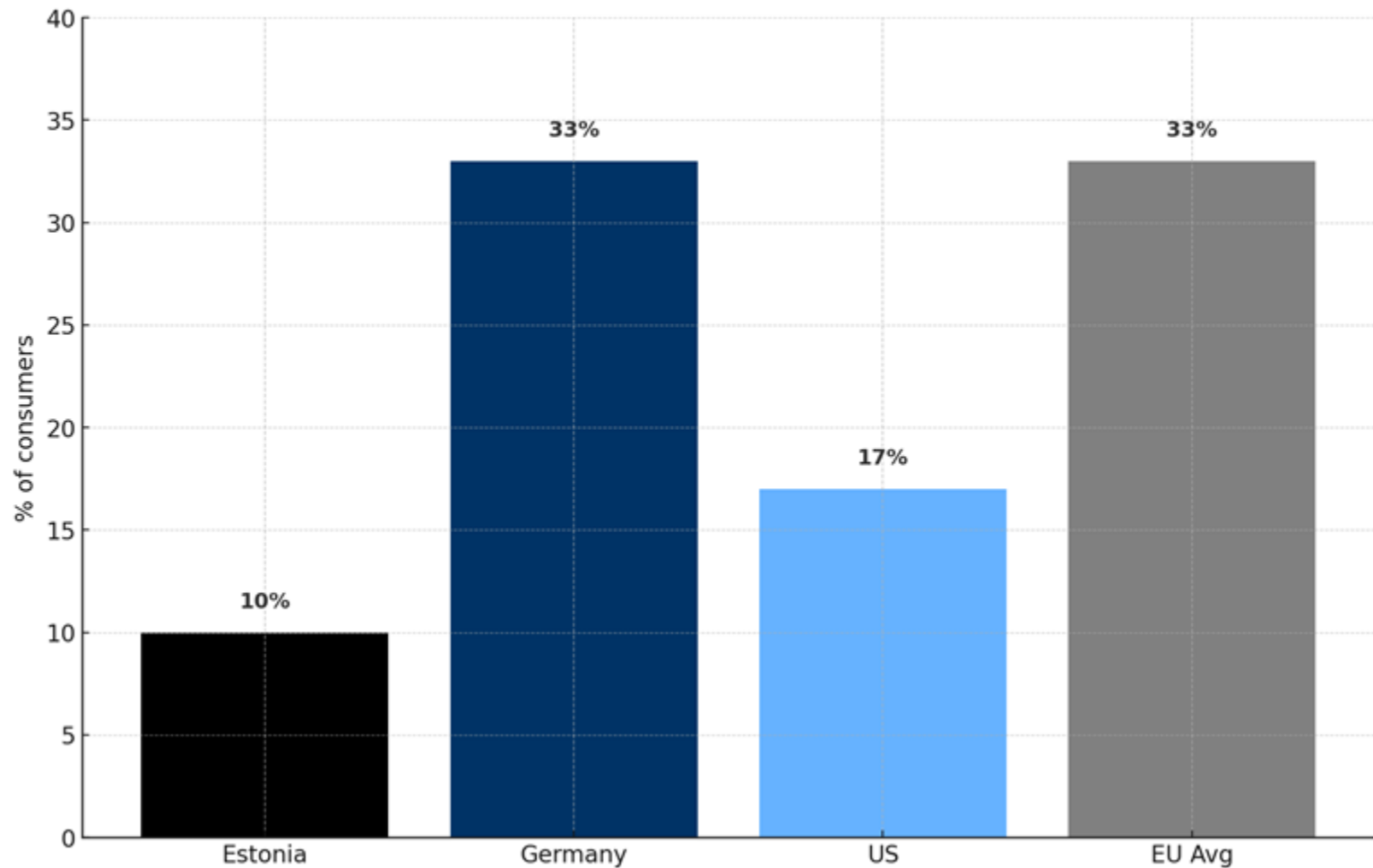|		
275.84	**0.17**	**0.00**
Estonia	Germany	US

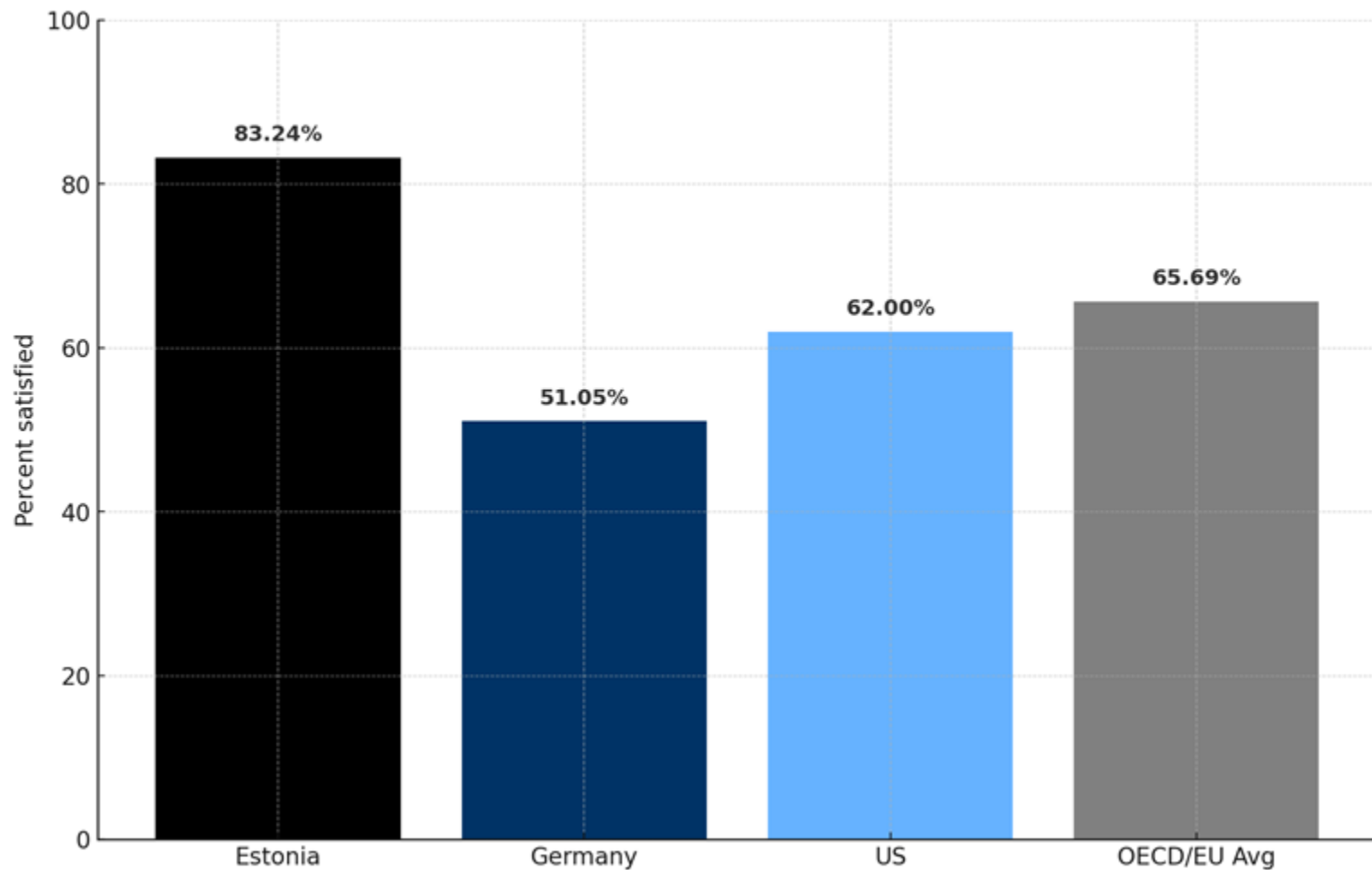Authentications per person per year
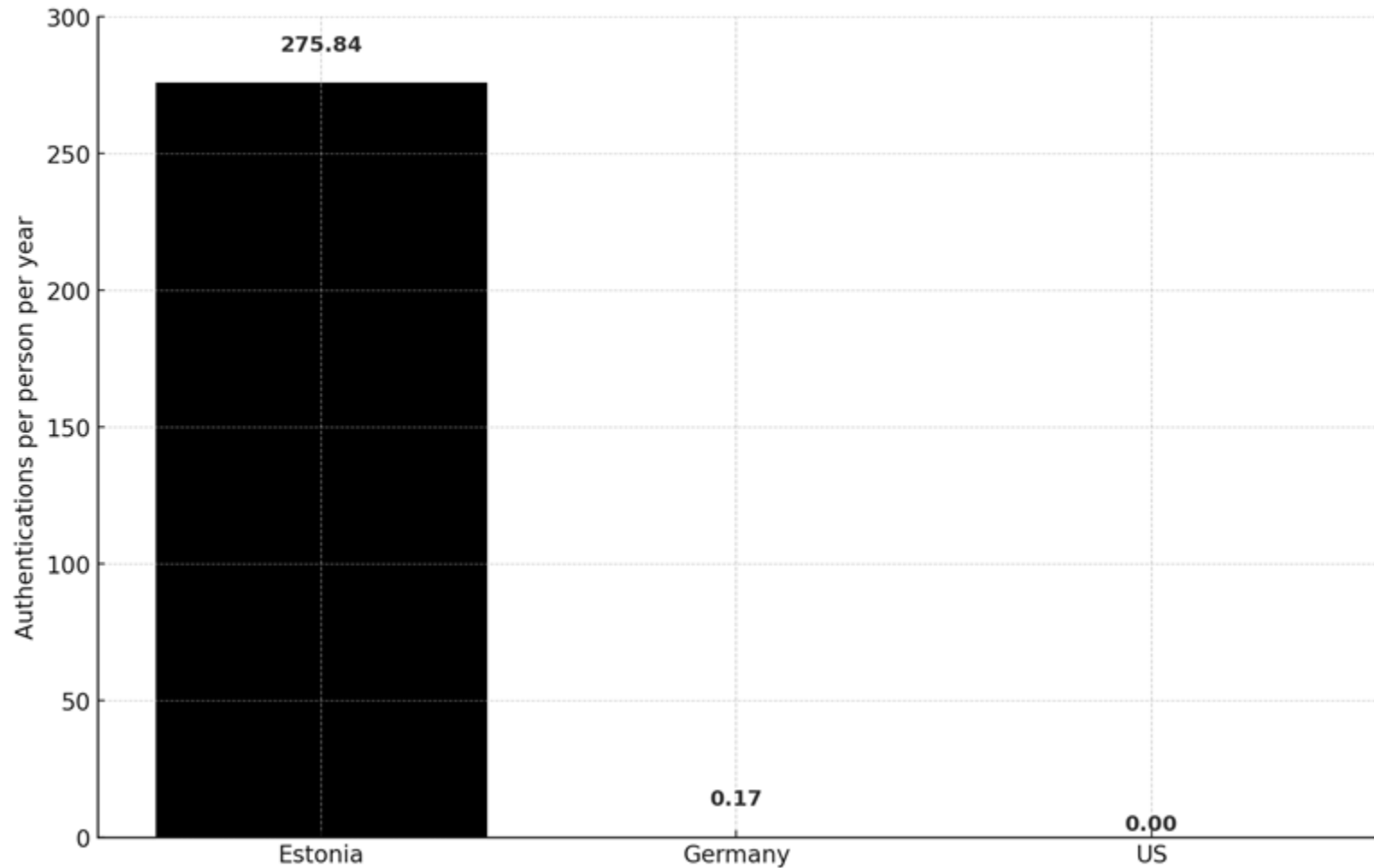
Identity Theft
% of Consumers Who Experienced Identity Theft in the Last 2 Years

Satisfaction with public services
OECD Trust Survey, US surveys

	Percent satisfied
Estonia	83.24%
Germany	51.05%
US	62.00%
OECD/EU Avg	65.69%

Worldwide governance indicators

- Voice and accountability

- Regulatory quality

- Rule of law

- Control of corruption

- Government effectiveness

- Political stability and absence of violence
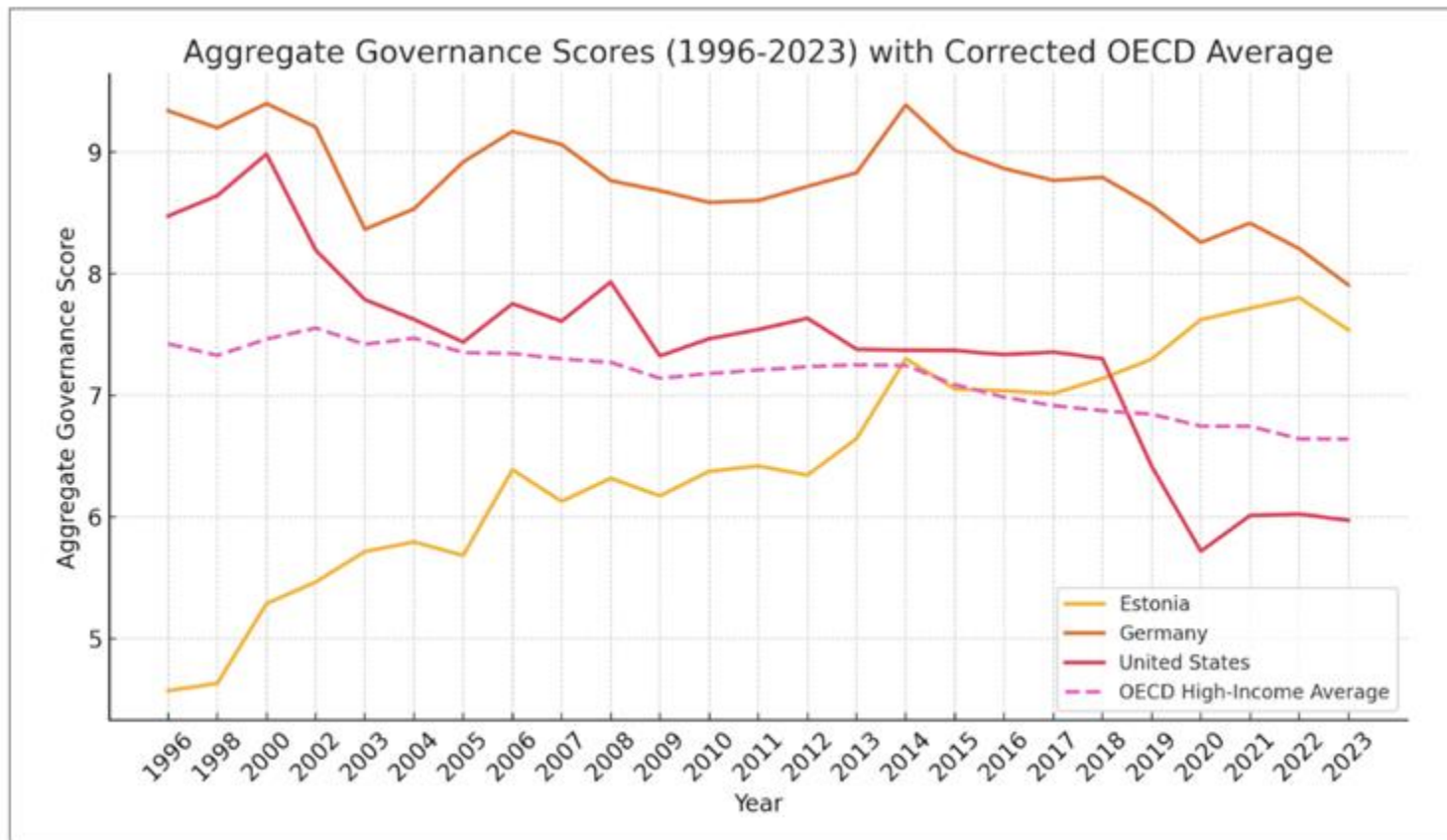
Aggregate Governance Scores (1996-2023) with Corrected OECD Average

www.ilves.ai/publications

Part 2:
The Agentic State

Reimagining the State, Government and Public Administration for the era of agentic AI

FINANCIAL T

The AI agents are coming

A new layer of digital plumbing between apps cou
changes to how people

RICHARD WATERS (+)

THE WALL STREET JOURNAL.

AI Voice Agents Are Ready to Take Your Call

Improvements in the technology behind voice-based AI bots are making
them more prolific

🎧 Listen (6 min) ⋮

Generative AI

Agentic AI Is Already Changing the Workforce

by Jen Stave, Ryan Kurt and John Winsor

May 22, 2025

Agent Type	Description	Examples
Information and Analysis	These agents specialise in gathering, processing, synthesising, and analysing information from diverse sources. Their primary function is to **provide insights, answer complex queries, make comparisons, or offer decision support.**	Agents performing product comparisons by browsing the web or personalised agents assisting individuals in making complex decisions, such as selecting insurance plans or educational institutions.
Task Execution and Automation	These agents are designed to perform specific actions and automate workflows within digital (and sometimes physical) environments. **They follow instructions or pursue defined goals to complete tasks.**	Agents that buy goods online, book flights, conduct software engineering tasks, or provide office support by managing schedules and documents.
Interaction and Communication	These agents focus on engaging with humans or other AI agents. Their capabilities centre on **natural language understanding, dialogue management, negotiation, and facilitating collaboration.**	Agents capable of making phone calls or engaging in complex interactions with other agents using specialised communication protocols to coordinate activities or make agreements.

Job function groups with the highest exposure to generative AI
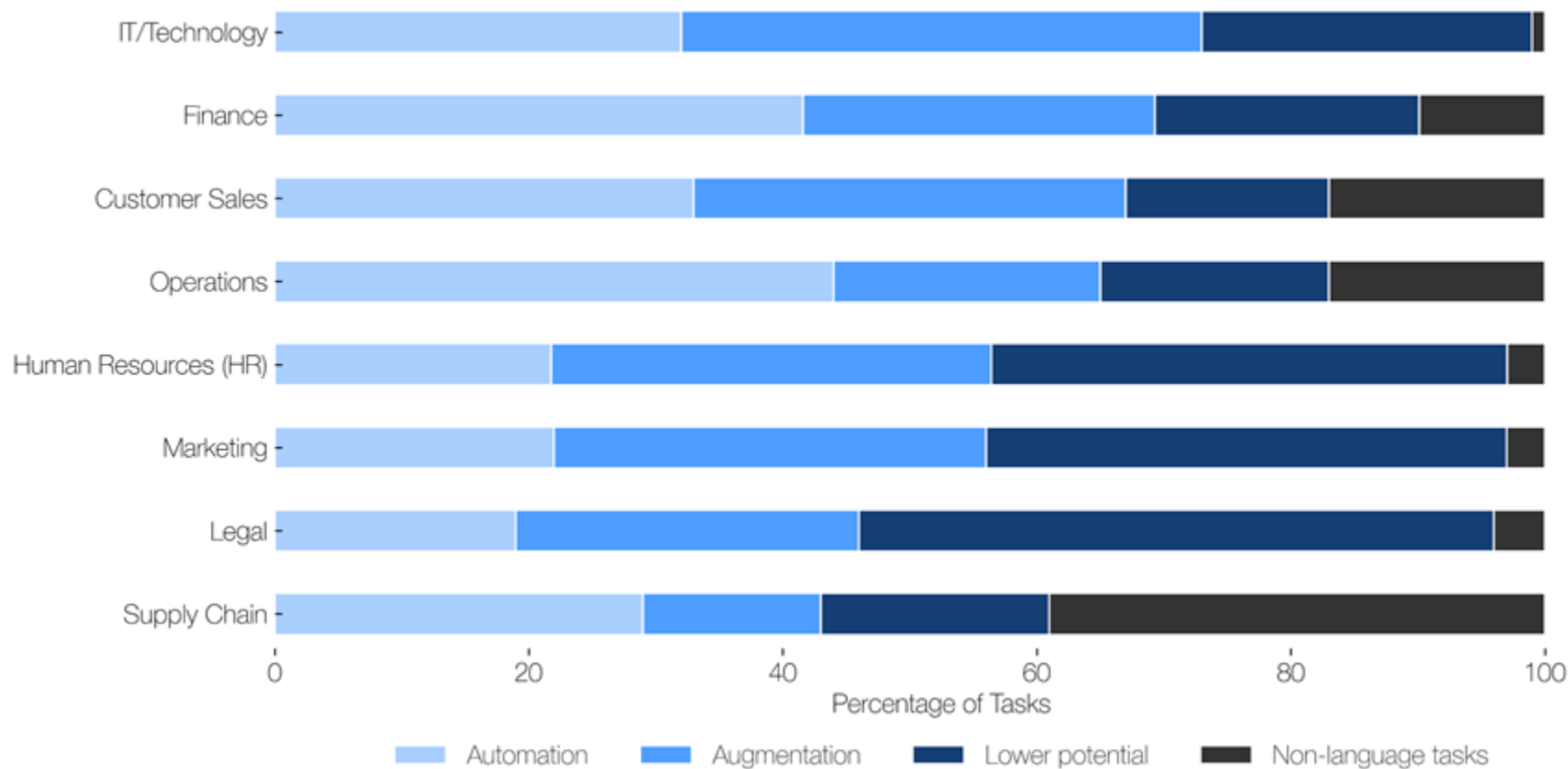
Legend: Automation | Augmentation | Lower potential | Non-language tasks

X-axis: Percentage of Tasks (0, 20, 40, 60, 80, 100)

Categories: IT/Technology, Finance, Customer Sales, Operations, Human Resources (HR), Marketing, Legal, Supply Chain

Operations	1. Service Delivery and User Experience
	2. Internal Workflows
	3. Data Governance, Management, and Operations
	4. Crisis Response and Resilience

Operations

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Regulation and Governance

5. Compliance and Reporting
6. Policy and Rulemaking

Foundations

7. Leadership
8. Workforce and Culture
9. Tech Stack
10. Public Procurement

Operations

| Layer	What agents do	What changes
🤖💬 Service Delivery	Tailor, fuse, and launch services in real time; speak any language and channel	Hyper-personal, inclusive services at near-zero marginal cost
⚙️🧡 Back Office	Digest messy data, decide along KPI targets, escalate only edge cases	Bureaucracy melts away; cycle-times and admin spend collapse with full auditability
📄🔒 Data	Stitch public and private data with fine-grained consent control	Privacy-safe insight everywhere. Policy, service, and market innovation accelerate
🚨🛡️ Crisis Response	Spot weak signals, simulate scenarios, launch machine-speed actions	Lives and assets better secured; AI-enabled national resilience

Regulations and Governance

Layer	What agents do	What changes
📜✅ Compliance	Scan live data, issue real-time compliance checks	Red tape eliminated; risk-based oversight that lets business grow
🏛️📝 Policy-making	Stress-test options, retune rules continuously, negotiate in real-time with markets	'Living laws' that stay precise, hit policy targets sooner, and cut societal drag

Operations

Layer	What agents do	What changes
🎯👑 Leadership	Make performance visible; spotlight hidden risks	Strategic clarity and faster pivots; leaders steer by impact, not anecdote
👥🧠 Workforce and culture	Co-pilot routine tasks, upskill everyone to democratise access to tech	Humans focus on judgment and empathy, cultural change and organisational development accelerate
🏗️💻 Tech Stack	Orchestrate agents on modular stack from ID to compute	Elastic, low-cost government platform enabling new functionalities and oversight
🛒🤑 Procurement	Auto-tender, negotiate, and pay purely for outcomes	Public money buys measurable results; SME-friendly cycles shrink to days

What are you optimizing?
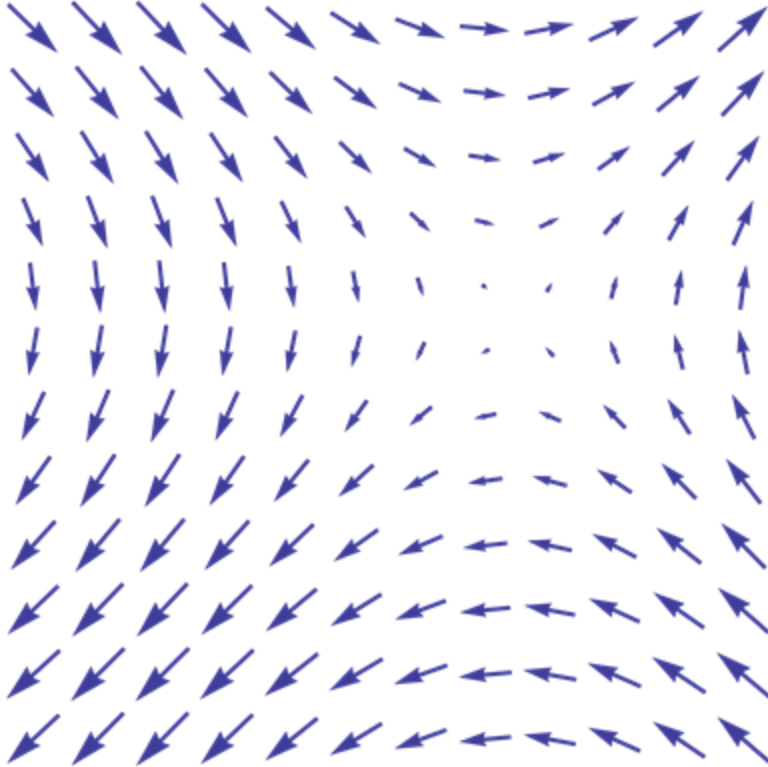
"Decision intelligence … covers the skills needed to **design objectives, metrics and safety-nets for automation at scale.**"

Cassie Kozyrkov (Scientist, Google)

"Citizens should know what to ask for. And policymakers should know what to look for."

Paul Hofheinz (President, The Lisbon Council)

The Agentic State

How Agentic AI Will Revamp 10 Functional Layers of Government and Public Administration

Whitepaper | Version 1.0 | May 2025

Lead Author | Luukas Ilves

Contributors | Manuel Kilian, Tiago C. Peixoto, Ott Velsberg

New whitepaper

> v1.0 published this week
> v2.0 over the summer

Contribute!

www.ilves.ai/agenticstate